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Marketing FARMERS' STOCK PEANUTS in the Virginia-North Carolina Area

by E. Walton Jones, Richard A. King and Gilbert W. Biggs

Farmer Cooperative Service • U. S. Department of Agriculture

In cooperation with

Agricultural Experiment Station • North Carolina State College

FARMER COOPERATIVE SERVICE
U. S. DEPARTMENT OF AGRICULTURE
WASHINGTON 25, D. C.

Joseph G. Knapp, Administrator

The Farmer Cooperative Service conducts research studies and service activities of assistance to farmers in connection with cooperatives engaged in marketing farm products, purchasing farm supplies, and supplying business services. The work of the Service relates to problems of management, organization, policies, merchandising, product quality, costs, efficiency, financing, and membership.

The Service publishes the results of such studies, confers and advises with officials of farmer cooperatives; and works with educational agencies, cooperatives, and others in the dissemination of information relating to cooperative principles and practices.

This study was conducted under authority of the Agricultural Marketing Act of 1946 (RMA, Title II).

April 1963

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Summary

This study, the second in a series by the Farmer Cooperative Service and the Department of Agricultural Economics of North Carolina State College, reports on ways to market farmers' stock peanuts more efficiently. Peanut growers, peanut buyers, and others in the Virginia-North Carolina peanut industry asked for this assistance. By way of definition, peanuts are considered "farmers' stock" until they are shelled or processed for sale to consumers in the shell.

Farms Growing Peanuts

In 1958 about 13,704 farms were producing peanuts in the 17-county area studied in North Carolina and Virginia. Corn, soybeans, and peanuts were the three most important crops in terms of average acreage, followed by small grain, cotton, and tobacco.

The discussion of organizational aspects of peanut producing farms divides them into two major categories: Those farms having less than 75 acres of peanuts and those having 75 acres or more of peanuts. The presentation then divides the farms having less than 75 acres of peanuts into three categories based on total acreage: Small farms include those with less than 50 acres in the entire farm, medium farms include those with 50-149.9 acres, and large farms include those with 150 acres and over. Extra large farms include all those with more than 75 acres of peanuts.

Nine out of 10 farms received 75 percent or more of total farm income from the sale of crops. Farm income was derived entirely from the sale of crops on 49 percent of the farms. Roughly one-half of these farmers received some income from the sale of livestock. The proportion receiving income from livestock was higher on large farms than on small farms. Income of $5,000 or more from nonfarm sources was reported by 4.5 percent of all farm operators, heavily concentrated on the larger farms.

More than 95 percent of all farms had at least one male family worker, but less than 50 percent reported one or more adult female workers. An average of between one and two boys was reported available for farm work on 24 percent of the farms and 15 percent of the farms reported girls available for farm work.

The proportion of farms having full-time hired labor ranged from 3 percent for farms with less than 50 acres of land to 55 percent for large farms growing 75 acres or more of peanuts. Two out of three farms reported part-time hired labor.

Average daily wages for full-time labor were $4.94 and for part-time labor $4.77. In general, the larger farms paid higher wages than the average wage rate, while small farms paid less than the average.

Farm Marketing Facilities

The study describes the marketing practices followed by growers by size of peanut acreage. Small farms include

those with less than 25 acres of peanuts, medium farms include those with 25 to 74.9 acres, and large farms include those with 75 acres or more. Any further reference to size of farm, or grower, in this summary is based on these size classifications.

Small Farms -- Two-thirds of the small growers had on-farm facilities for storing bag peanuts, but less than 10 percent had facilities for bulk storage. Thirty-four percent of the small growers were within 5 miles of a warehouse with contracts to handle peanuts for the Peanut Growers Cooperative Marketing Association, (PGCMA) and 62 percent were within 10 miles of such a warehouse.

Approximately one-half of these growers had trucks for hauling peanuts to market. Eighty percent of these growers had access to market news by radio and 70 percent had access by newspaper and television, but only about one-half reported using these three sources of information.

Medium Farms -- Farms in the 25 to 75 acre group were well equipped with on-farm storage facilities for bag peanuts but only 7 percent had bulk storage facilities. Over 85 percent of these growers had trucks available for hauling peanuts from farm to first buyer. Little difference was observed between this group and the small farm group in the distance to cooperative warehouses.

Large Farms -- Slightly less than two-thirds of the large farms reported on-farm storage facilities for bag peanuts but less than 3 percent had facilities for bulk storage. These large farms had less storage available than either of the other size groups. These farms were located at a somewhat greater distance from warehouses with contracts with PGCMA, with approximately 30 percent located within 5 miles and an additional 20 percent within 10 miles of such a warehouse.

The use of market news available through radio and newspaper sources was somewhat higher than for farms growing less than 75 acres of peanuts. Only 3 percent of these growers reported that they did not own facilities for hauling peanuts from the farm to the first buyer.

Production and Harvesting

The study showed variations in production and harvesting practices among various sized farms.

Small Farms -- Three out of four farms grew less than 25 acres of peanuts and accounted for only 32 percent of all peanut acreage. An average of 9.4 acres of peanuts was grown per farm in this group.

Digging equipment used by these farmers was about evenly divided between plows, diggers, and digger-shakers.

For threshing, the stationary picker was used for about 93,000 out of the 98,000 acres harvested. An additional 13,000 acres were hogged-off by this size group.

All growers reported peanuts cured in the stack and none used forced air. Creditors furnished supplies to 32 percent of the growers and advanced funds to 26 percent of the growers in this size group.

Medium Farms -- Only 20 percent of the farms planted between 25 and 75 acres of peanuts but accounted for 44 percent of the total acreage. Growers on medium

size farms concentrated on Virginia type peanuts and planted few different varieties. Hogging-off was unimportant in terms of total acreage. About one-half the growers used digger-shakers, while less than 15 percent of the farms used plows.

This group was more highly mechanized than any other group studied, with over 10 percent using digger-shaker-windrowers and combines for threshing. As with the small farms, however, the stationary picker was the predominant method for threshing.

All these farmers reported curing some peanuts by the stack pole method. However, about 20 percent of the growers used forced air to cure about 20 percent of their crops.

Creditors furnished supplies to 38 percent of these growers and advanced funds to 27 percent. Peanut buyers furnished both funds and supplies to 17 percent of the producers.

Large Farms -- Farms growing 75 or more acres of peanuts made up only 4 percent of total but accounted for 24 percent of all peanut acreage. These farms averaged 1,124 acres and made up 29 percent of the total acreage in all farms. These farms were not as highly mechanized as the medium size farms. Less than 5 percent used digger-shaker-windrowers and less than 10 percent used combines for threshing. Stationary pickers were used on 70,000 out of the 74,000 acres grown.

Under 2 percent of peanuts were hogged-off on these farms. Less than 3 percent of the growers used forced air in curing peanuts. Creditors furnished supplies to nearly half of all large growers but advanced funds to about one in five. On those farms where funds were advanced, however, it was substantially greater than either of the two smaller-size farm groups.

Peanut Market and Grower Selling Practices

There were 113 receiving stations in the area of North Carolina included in the grower survey and 84 in the Virginia area. Some 27 processors and 40 cooperative warehouses were operating in the same area.

Nearly 35 percent of all peanut growers reported they were within 5 miles of a cooperative warehouse. Within the distance to the nearest cooperative warehouse, 84.5 percent of all growers had an average of 3.7 receiving stations available. Bulk stations were available to 61.5 percent of all growers within 20 miles.

Growers sold more than 90 percent of all peanuts in the sample area through receiving stations. PGCMA handled between 6 and 7 percent and the growers sold the remainder directly to processors. Receiving stations handled the majority of bulk peanuts. Medium size growers sold a proportionately greater volume of peanuts in bulk than the other size groups. Peanuts handled in bulk were marketed relatively early and the period of marketing was shorter than for bag peanuts.

Factors considered by growers in selling their peanuts in order of importance were: Friendship with a buyer, service at outlet, custom, price, buyer-financed production, transportation, grading, and storage. Only 22 percent of all

growers were contacted by a buyer at the farm before the first lot of peanuts was sold. A much greater proportion of large growers was contacted than other sizes.

None of the growers contacting a buyer after peanuts were loaded on a truck for delivery to market talked to more than one buyer. A high proportion of growers contacted buyers before moving the peanuts. In some instances, peanuts were hauled considerable distances to a specific outlet in preference to nearer buyers. The average total time spent negotiating with buyers by those growers who did negotiate was 1.9 hours.

All farmers sold peanuts on the basis of grade. However, farmers, as a whole, did not understand the grading of peanuts very well. Few growers knew the specific factors determining the grade of their peanuts nor the monetary values established for the factors by the Commodity Credit Corporation.

The analysis indicates that if there were any expected refunds at all from the cooperative in 1958, farmers apparently did not sell their peanuts in a manner to increase their chances of obtaining the greatest returns over cost.

The uncertainty of price increases and the relatively high cost and risk involved in storing peanuts on the farm at the time apparently were not favorable to farm storage. Survey prices were higher in December than in any other month during the marketing season, indicating that if storage facilities were available it might have paid to store until then.

Opinions on Marketing Methods

Nearly 50 percent of all farmers who were familiar with an auction type market thought it would be a better way to sell peanuts than the current method. A higher proportion (70.1 percent) thought a central type market would be a good way to sell peanuts. More than one-half of all growers thought the cooperative could sell peanuts for higher prices than individual farmers. At least one-third of all growers indicated they would sign a marketing agreement to deliver part of their crop to the cooperative if adequate bulk handling facilities were made available.

Very few growers were familiar with Federal marketing agreement and order programs. Those who were familiar with such programs for the most part were not in favor of a program for peanuts.

Implications of Findings

This study suggests that changes in marketing facilities must reflect the high concentration of small sales per farm. Many growers did not have transportation facilities.

The shift to bulk marketing of peanuts was just getting underway at the time of this survey. Those familiar with the industry indicate that since that time the shift toward bulk handling has moved at an accelerated rate. Growers planting between 25 and 75 acres of peanuts appeared to be making the transition first. It is likely that the majority of farms falling in the small peanut acreage category will be the last to make this adjustment.

Although most farms reported facilities for temporary storage for peanuts in

bags, bulk storage was practically non-existent. However, only 18.6 percent of all growers stored any peanuts. Of those that did store, the period of storage was very short. Many farmers were able to sell peanuts within a 10-mile radius whereas the construction of bulk handling facilities might well result in fewer buying points located on the average at a greater distance from the grower.

Marketing Farmers' Stock Peanuts in the Virginia-North Carolina Area

by E. Walton Jones, Richard A. King, and Gilbert W. Biggs [1]

This report, a detailed study of marketing peanuts in the Virginia-North Carolina area and the second in a series of three, is based on a grower survey by Farmer Cooperative Service and North Carolina State College. Aim of these reports is to determine how to increase efficiency of marketing farmers' stock peanuts in North Carolina and Virginia.

The first report covered problems of first-buyers of farmers' stock peanuts, and the third report will integrate the material with that of the first two reports along with other information to present an overall evaluation of peanut marketing in the area.

Background of Report

Approximately 79 percent of the farmers in 17 counties in eastern North Carolina and Virginia grow and harvest peanuts.[2] In this area, research has contributed to the significant increase in yield per acre in recent years. Increased efficiency in harvesting and handling peanuts also reflects the value of research.

But the farmer's interest in peanuts extends beyond production. His ultimate goal is maximum returns from his crop.

In terms of welfare of the people in this area, marketing efficiency may be equally as important as production efficiency.

Objectives

Specific objectives of this phase of the research program reported here were:

1. To determine the organization of peanut producing farms and to identify peanut production practices that affect the marketing of farmers' stock peanuts.

2. To determine such marketing facilities now available to peanut producers

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[2] U. S. Bureau of the Census. Census of Agriculture. 1954. Vol. I, Parts 15 and 16 (Washington: Government Printing Office, 1956).

as transportation, storage, and market information.

3. To determine the number and types of market outlets available to producers and to describe the services offered and prices charged by these outlets.

4. To describe and analyze marketing practices of producers in terms of selection of a time and place to sell.

5. To examine farmer opinions regarding the present market system and alternative marketing techniques.

This study provided data that can help determine the efficiency of the market system and the relative efficiency of alternative marketing techniques for peanuts. It was also designed to assist peanut growers in selecting a time and place to sell their crop so as to increase their net returns. In addition, the study revealed problem areas in moving and transferring ownership of peanuts and will help direct further research where it is most needed.

Method and Procedure

This report is based largely on a sample survey conducted in March through May 1959 of peanut producers in the Virginia-North Carolina production area (figure 1). In planning this study and in drafting the questionnaire, executives in the peanut industry, extension peanut specialists, peanut farmers, and fellow agricultural economists were most helpful. The Statistics Research Division of the Research Triangle Institute of North Carolina provided assistance in the sample design.

The geographic area covered by the survey of peanut growers included two distinct sub-populations or groups of peanut farms.[3] One of the groups included all peanut farms with a peanut allotment of less than 75 acres in 1957. The other included all peanut farms with a peanut allotment equal to or more than 75 acres. A more detailed description of the sampling procedure is presented in appendix A, page 55.

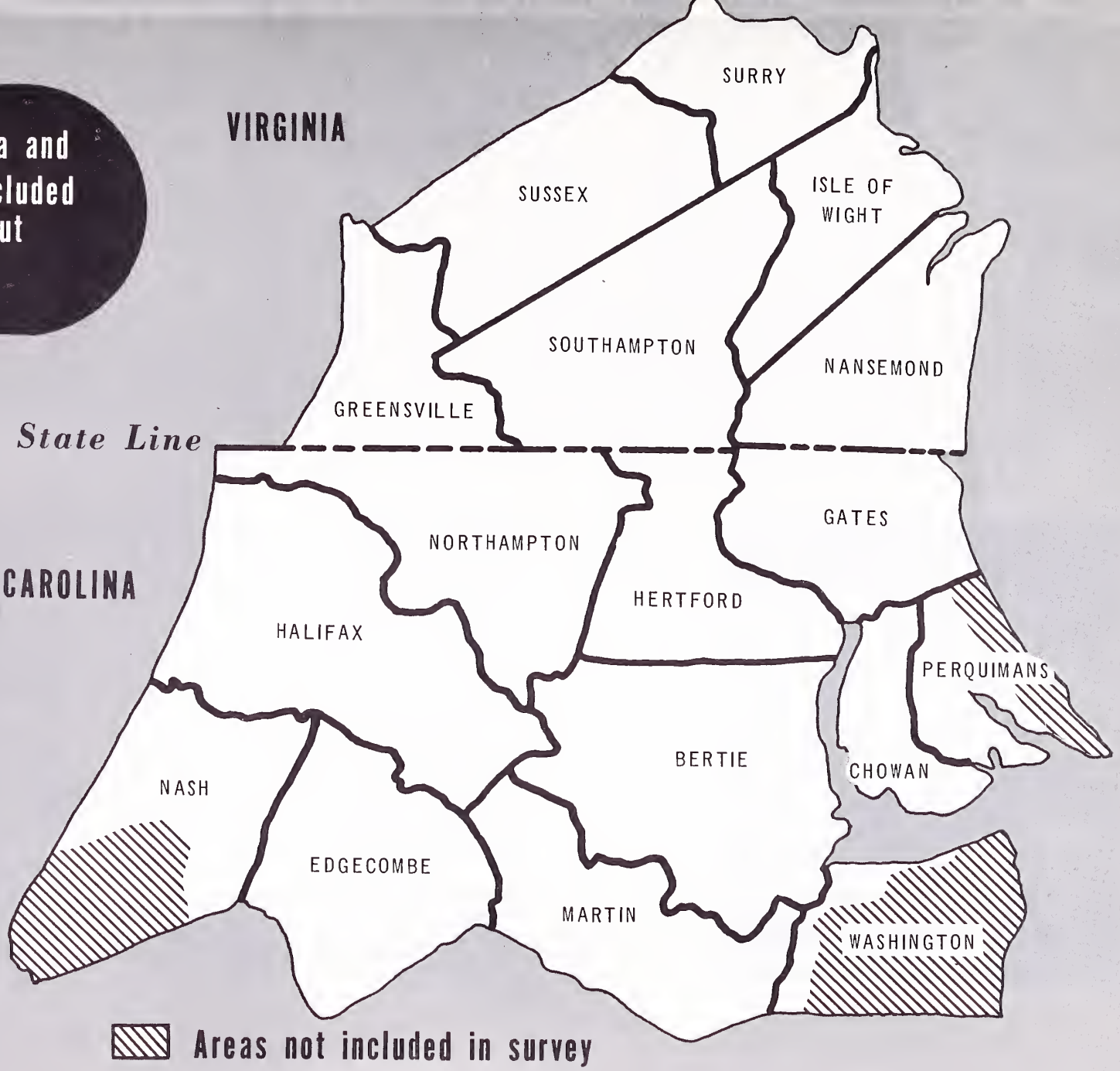
To qualify in the survey as a peanut farm operator, a person must have planted peanuts in 1958 and decided when and where to sell them. All the land managed by the operator represented one farm unit. This definition of a farm resulted in a larger average size of farm as compared to the usual census definition. Including all land owned and managed by an individual as one farm took in farms of cropper families which in other definitions might be considered separate farms.

Farms Growing Peanuts

It was necessary to seek a complete description of farms growing peanuts because changes in one phase of a farming operation might affect the entire organization. Information about the operation of the farm as a complete unit made it possible to anticipate and make allowances for possible repercussions resulting from changes in marketing techniques or practices. Also, knowledge about characteristics of farm operators and their farms might help in understanding why

[3]The area for which the sample is representative includes the following counties in North Carolina: Bertie, Chowan, Edgecombe, Gates, Halifax, Hertford, Martin, Northampton, Washington, Nash and Perquimans; and the following counties in Virginia: Greensville, Isle of Wight, Nansemond, Southampton, Surry, and Sussex. That part of Nash County south of U. S. Highway 64 and west of N. C. Highway 58, and the area east and south of N. C. Highway 32 in Washington County were not included. The survey area in Perquimans County included the east side of N. C. Highway 37 but did not extend to the Pasquotank County line.

FIG.1–Area in Virginia and North Carolina included in survey of peanut producers, 1958.



A field of peanuts typical of those grown in the area.

certain peanut marketing practices prevailed.

Finally, farm resources might meet peanut marketing needs that could develop through changes in marketing techniques. For instance, if other crops grown required seasonal storage, it might be possible (at little or no extra cost) to use these facilities for storing peanuts when they were not being used for other crops.

Size of Farm

The survey of peanut growers provided data on organization of peanut producing farms. An estimated 13,704 peanut farms were in the survey area (table 1).[4] Of these, 4.1 percent reported a peanut acreage of 75 acres or more. Farms with less than 75 acres of peanuts were broken into size groups by total acreage: Under 50, 50-149.9, and 150 and over. The proportion of all farms falling into each group was 41.8, 32.4, and 21.7 percent, respectively. To facilitate reference these four groups will be referred to as small, medium, large, and extra large farms. The classification in table 1 is used throughout the section on farms growing peanuts.

Total acreage for all farms averaged 157.9. The overall average tells very little, however, about the size of individual farms. For example, it represents 5.9 times the average acreage in the small farm group (26.7 acres). Medium size farms had an average of 77.3 acres and

[4]Values derived from the sample are all point estimates of the actual figures. They are subject to statistical errors of estimation.

Table 1. - *Number and size of farms producing peanuts in the survey area of Virginia-North Carolina, 1958*

Item	Unit	Acreage in farms with less than 75 acres of peanuts			Farms with 75 acres or more of peanuts	All peanut producing farms
		Under 50	50-149.9	150 and over		
Farm size designation		Small	Medium	Large	Extra Large	
Farms growing peanuts	Number	5,729	4,443	2,973	559	13,704
Proportion of all farms	Percent	41.8	32.4	21.7	4.1	100.0
Total acreage	Acres	153,107	343,340	1,039,574	628,433	[1]2,164,454
Average acreage per farm	Acres	26.7	77.3	349.7	1,124.2	157.9
Proportion of all farms	Percent	7.1	15.9	48.0	29.0	100.0

[1]Confidence limits: .95 = 1,822,006 < 2,164,454 < 2,506,902; that is, in 95 random samples out of 100 the estimated acreage can be expected to be not more than 342,448 below and not more than 342,448 above the average of this sample.

the large farms, 349.7 acres. Extra large farms averaged 1,124.2 acres which exceeded the average of all farms by 7.1 times. They had 42.1 times the acreage of the small farms.

Principal Crops Grown

The principal crops grown on peanut farms in the sample area included peanuts, corn, cotton, tobacco, soybeans, and small grain. Excluding peanuts, the crops ranked in importance in terms of the number of all farmers growing as follows: Corn, cotton, soybeans, tobacco, and small grain (table 2). In terms of acreage per farm, corn was the most important crop with 34.4 acres; followed by soybeans, 26.5; peanuts, 22.4 acres; small grain, 17.2 acres; cotton, 11.2 acres; and tobacco, 6.9 acres. There appeared to be only minor changes in the relative importance of these crops as farm size increased.

Labor Supply and Utilization

A little over 95 percent of all peanut farms had at least one male family worker (table 3). Only 9.7 percent of the small and 2 percent of the medium size farms reported no adult male family workers. Of the farms reporting adult male family workers, the small, medium, and extra large groups had an average of between 1.2 and 1.6. The large group averaged 2.2.

A possible explanation for this narrow range is that the small farms were not able to support many adult male family workers while the extra large farms had male operators who were administrators only.

Less than 43 percent of all farms reported adult female family workers. Over half the small farms and only a fifth of the extra large farms reported these workers.

The proportion of all farms having high school boys available for work was 23.7 percent and the proportion having high school girls was 15.5 percent. The proportion of farms within each size group having boys and girls available was close to the average for all groups.

Farms with full-time hired labor ranged from 3.2 perce t for small farms to 54.9 percent for extra large farms. The average number of full-time hired workers was between one and two on farms growing less than 75 acres of peanuts and over three on extra large farms.

Roughly two-thirds of all farms reported hiring part-time workers. An average of between eight and nine workers was the maximum number of part-time workers at one time for all the farms. The average for small farms was two less than the average for all farms.

The average daily wage for full-time hired workers was $4.94. This was only 17 cents higher than that of part-time workers. In some cases full-time workers enjoyed other benefits such as housing and garden privileges. Wages for full-time hired workers appeared to increase with the size of farm, but wages of part-time help did not.

A very small proportion (8 percent) of small farms reported having land worked by croppers. However, 29 percent of the medium size farms, 75 percent of the large farms, and over 90 percent of the extra large farms used cropper labor.

Table 2. - *Principal crops grown on farms producing peanuts in the survey area of Virginia-North Carolina, 1958*

Item	Unit	Acreage in farms with less than 75 acres of peanuts			Farms with 75 acres or more of peanuts	All peanut producing farms	
		Under 50	50-149.9	150 and over			
						Number	*Percent*
Peanuts							
Farms growing	Number[1]	5,729	4,443	2,973	559	13,704	100.0
Total acreage harvested	Acres[1]	38,384	57,713	137,055	74,444	[2]307,596	
Average per farm	Acres	6.7	13.0	46.1	133.2	22.4	
Corn							
Farms growing	Number	5,452	4,259	2,973	559	13,243	96.6
Total acreage harvested	Acres	59,413	94,938	162,957	137,890	455,198	
Average per farm	Acres	10.9	22.3	54.8	246.7	34.4	
Cotton							
Farms growing	Number	3,142	2,226	2,692	417	8,477	61.9
Total acreage harvested	Acres	11,180	12,403	51,786	19,634	95,003	
Average per farm	Acres	3.6	5.6	19.2	47.1	11.2	
Soybeans							
Farms growing	Number	1,756	2,688	2,696	442	7,582	55.3
Total acreage harvested	Acres	9,240	43,240	109,329	39,102	200,911	
Average per farm	Acres	5.3	16.1	40.6	88.5	26.5	
Tobacco							
Farms growing	Number	2,495	1,940	1,390	296	6,121	44.7
Total acreage harvested	Acres	8,593	11,180	11,671	10,984	42,428	
Average per farm	Acres	3.4	5.8	8.4	37.1	6.9	
Small grain							
Farms growing	Number	642	1,571	1,764	384	4,361	31.8
Total acreage harvested	Acres	2,864	17,648	40,104	14,373	74,989	
Average per farm	Acres	4.5	11.2	22.7	37.4	17.2	
Other crops							
Farms growing	Number	2,033	1,760	1,671	376	5,840	42.6
Total acreage harvested	Acres	13,398	15,996	50,299	35,547	115,240	
Average per farm	Acres	6.6	9.1	30.1	94.5	19.7	
Total cropland	Acres	143,072	253,118	563,201	331,974	1,291,365	

[1]Represents the total population described in this study.
[2]Confidence limits: $.95 = 290{,}440 < 307{,}596 < 324{,}752$; that is, in 95 random samples out of 100 the estimated acreage can be expected to be not more than 17,156 below and not more than 17,156 above the average of this sample.

Table 3. - *Labor supply and acreage worked by croppers on peanut producing farms in the survey area of Virginia-North Carolina, 1958*

Item	Unit	Acreage in farms with less than 75 acres of peanuts			Farms with 75 acres or more of peanuts	All peanut producing farms	
		Under 50	50-149.9	150 and over			
						Number	*Percent*
Farms reporting family workers							
Adult male:							
Farms reporting	Number	5,174	4,351	2,973	559	13,057	95.3
Avg. per farm	Number	1.2	1.6	2.2	1.2	[1]1.5	-
Adult female:							
Farms reporting	Number	3,234	1,294	1,201	117	5,846	42.7
Avg. per farm	Number	1.2	1.5	2.8	1.0	1.6	-
High school boys:							
Farms reporting	Number	1,201	1,201	743	109	3,254	23.7
Avg. per farm	Number	1.4	1.7	2.2	2.7	1.7	-
High school girls:							
Farms reporting	Number	832	647	554	92	2,125	15.5
Avg. per farm	Number	1.6	1.4	1.5	4.0	1.6	-
Farms reporting hired labor							
Full-time:							
Farms reporting	Number	185	928	932	307	2,352	17.2
Avg. per farm	Number	1.0	1.4	1.8	3.2	1.8	-
Avg. daily wages per worker	Dollars	3.90	4.49	5.34	5.72	[2]4.94	-
Part-time:							
Farms reporting	Number	3,511	3,250	2,041	294	9,096	66.4
Maximum number working at one time, average per farm	Number	6.6	10.7	9.8	9.7	8.9	-
Avg. wage per day	Dollars	4.40	5.23	4.58	5.14	[3]4.77	-
Acreage worked by croppers							
Farms reporting	Number	462	1,302	2,226	518	4,508	32.9
Avg. acreage	Acres	17.2	39.9	143.5	490.4	140.5	-
Peanut farms in area	Number	5,729	4,443	2,973	559	13,704	100.0

[1]Confidence limits: .95 = $1.4 < 1.5 < 1.6$; that is, in 95 random samples out of 100 the estimated average number of workers can be expected to be not more than .1 below and not more than .1 above the average of this sample.
[2]Confidence limits: .95 = $\$4.68 < \$4.94 < \$5.20$, that is, in 95 random samples out of 100 the estimated wage rate can be expected to be not more than $0.26 below and not more than $0.26 above the average of this sample.
[3]Confidence limits: .95 = $\$4.61 < \$4.77 < \$4.93$, that is, in 95 random samples out of 100 the estimated average wage can be expected to be not more than $0.16 below and not more than $0.16 above the average of this sample.

Sources of Operator Income

Sale of crops provided 75 percent or more of total farm income on 9 out of 10 farms growing peanuts (table 4). No extra large farms and only 1.6 percent of the small farms received less than 50 percent of their total farm income from the sale of crops. The percent of farms receiving 100 percent of farm income from the sale of crops decreased from 62.3 for the small size group to 22.7 for the extra large size group.

Sale of livestock provided some farm income on about one-half of all farms. The proportion of farms reporting income from the sale of livestock increased from about one-third of the small farms to approximately three-fourths of the extra large farms.

Table 4. - *Sources of farm operator income by size of farm, peanut producing farms in the survey area of Virginia-North Carolina, 1958*[1]

Item	Acreage in farms with less than 75 acres of peanuts			Farms with 75 acres or more of peanuts	All farms
	Under 50	50-149.9	150 and over		
	Number of operators				
Percentage of farm income from sale of crops:[2]					
Less than 10 percent	0	92	0	0	92
10-49.9 percent	93	185	184	0	462
50-74.9 percent	188	558	189	34	969
75-99.9 percent	1,878	1,756	1,390	398	5,422
100 percent	3,570	1,852	1,210	127	6,759
Total	5,729	4,443	2,973	559	13,704
	Percent of operators				
Less than 10 percent	0.0	2.1	0.0	0.0	0.7
10-49.9 percent	1.6	4.2	6.2	0.0	3.4
50-74.9 percent	3.3	12.5	6.4	6.1	7.0
75-99.9 percent	32.8	39.5	46.8	71.2	39.6
100 percent	62.3	41.7	40.6	22.7	49.3
Total	100.0	100.0	100.0	100.0	100.0
	Number of operators				
Operators receiving non-farm income $5,000 or more	0	185	193	241	619
	Percent of operators				
	0	4.2	6.5	43.1	4.5

[1]All figures are estimates based on sample data.
[2]All farm income not received from the sale of crops came from the sale of livestock.

An estimated 619 farm operators received an income of $5,000 or more in 1958 from nonfarm sources. This represents 4.5 percent of all farm operators. None of the small farm operators received this much income from off-the-farm sources. The proportion of operators in the other groups ranged upward from 4.2 percent of the medium size group to 43.1 percent of the extra large farm group. Small farms thus heavily depended upon sale of crops for their income while larger farms got more income both from the sale of livestock and from off-farm sources.

Relation of Production to Marketing

Production and marketing decisions cannot be separated. Type and variety of peanuts grown and methods of harvesting and curing in particular must be considered in relation to the market for peanuts. Methods of financing production also can be important in allocating peanuts to various market outlets.

Data on the aspects reported in this section were obtained from the survey of peanut growers described earlier. Acreage of peanuts grown in 1958 classified peanut growers as small, medium, and large. The size groups were as follows: Small, less than 25 acres; medium, 25-74.9 acres; and large, 75 acres or more. The analysis of peanut production and marketing practices indicated that the size grouping should be based on peanut acreage instead of total farm acreage. These acreage groups unless otherwise specified refer to the size of peanut grower in this report.

Farms with less than 25 acres of peanuts predominated in the Virginia-North Carolina area (table 5.) Seventy-six percent of all farms were in the small-grower group, 19.7 percent in the medium group, and less than 5 percent had 75 acres of peanuts or more. Of the total acreage, 43.8 percent was on medium farms and 24.2 percent on large units.

Type and Variety of Peanuts Grown

The principal types of peanuts grown in the United States are Virginia, Runner, and Spanish. Virginia-type peanuts predominated in this area with 81 percent of all farms planting at least some of them (table 6). Runner-type peanuts were grown on 17.5 percent of all farms. Less

Table 5. - *Number, percent, and average peanut acreage of farms in the survey area of Virginia-North Carolina, 1958*[1]

Item	Unit	Peanut acreage			All farms
		Under 25	25 to 74.9	75 or more	
Farms growing peanuts	Number	10,445	2,700	559	13,704
Proportion of all farms	Percent	76.2	19.7	4.1	100.0
Total peanut acreage harvested	Acres	98,488	134,664	74,444	307,596
Proportion of acreage on all farms	Percent	32.0	43.8	24.2	100.0
Average per farm	Acres	9.4	49.9	133.2	22.4

[1]All figures are estimates based on sample data.

Table 6. - *Number of peanut growers planting specified types and varieties of peanuts in the survey area of Virginia-North Carolina, 1958*[1]

Item	Peanut acreage			All growers
	Under 25	25 to 74.9	75 or more	
	Number of growers			
Type:				
Virginia	8,263	2,331	559	11,153
Runner	2,033	370	0	2,403
Spanish	0	0	0	0
Other	188	0	0	188
Variety:				
NC2	3,792	1,129	522	5,443
NC1	185	0	0	185
Virginia Bunch	2,864	739	185	3,788
Georgia 119	832	0	92	924
Other	2,772	832	466	4,070
Peanut growers in area[2]	10,445	2,700	559	13,704

[1]All figures are estimates based on sample data.
[2]The sums of individual column items, when classified by type and variety of peanuts grown, do not equal the total number of growers in the area since some growers planted more than one type or variety.

than 2 percent of all growers planted types other than these two. The proportion of farms growing Virginia-type peanuts increased with the size of farm and the proportion growing runners decreased. Small farms were the only ones growing peanuts other than Virginia or Runners.

A hybrid variety of Virginia-type peanut, NC2, was planted on 39.7 percent of all farms. The second most popular variety was Virginia Bunch with 27.6 percent of all farms growing. Georgia 119 was grown on 6.7 percent of all farms and NC1's on 1.4 percent. A relatively high proportion of all farms grew varieties other than those specifically mentioned. However, many of the 29.7 percent included in this category planted old seed of unknown origin.

Size of grower was related to the variety of peanuts grown. The proportion of growers planting NC2's increased with size of farms. Only small growers grew NC1's. The proportion of farms growing Virginia Bunch was 27.4 percent for small and medium sizes and 33.1 percent for the large size group. A very high percentage (83.4) of large growers planted some peanuts other than the varieties specified. The geographic scatter or size of the farming operations in this group might explain the planting of more than one variety.

Harvesting Methods

Growers used several types of equipment to dig peanuts (table 7). Among them were an ordinary plow, a more specialized digger, a digger-shaker, and

Table 7. - *Type of equipment and number of part-time workers used in harvesting peanuts in the survey area of Virginia-North Carolina, 1958*[1]

Item	Unit	Peanut acreage			All farms
		Under 25	25 to 74.9	75 or more	
Digging equipment					
Plow:					
Growers using	Number	3,881	370	222	4,473
Total acreage dug	Acres	28,828	15,153	15,744	59,725
Digger:					
Growers using	Number	3,142	932	368	4,442
Total acreage dug	Acres	31,139	43,131	39,726	113,996
Digger-shaker:					
Growers using	Number	3,234	1,298	162	4,694
Total acreage dug	Acres	34,188	60,923	16,016	111,127
Digger-shaker-windrower:					
Growers using	Number	281	285	25	591
Total acreage dug	Acres	4,333	15,457	2,958	22,748
Threshing equipment					
Stationary picker:					
Growers using	Number	9,798	2,511	534	12,843
Total acreage picked	Acres	92,852	121,050	69,858	283,760
"Walking" picker:					
Growers using	Number	277	0	4	281
Total acreage picked	Acres	2,402	0	894	3,296
Combine:					
Growers using	Number	370	281	41	692
Total acreage picked	Acres	3,234	13,614	3,692	20,540
Part-time workers to harvest peanuts					
Growers using	Number	6,269	1,775	364	8,408
Average per farm	Number	5.5	5.1	16.4	5.9
Area totals					
Peanut growers[2]	Number	10,445	2,700	559	13,704
Acreage harvested	Acres	98,488	134,664	74,444	307,596

[1]All figures are estimates based on sample data.
[2]The summation of growers digging or threshing peanuts by various methods does not necessarily equal to the number of growers in the area since some growers may have used more than one method.

The traditional method of harvesting peanuts was to dig them, stack them in the field to cure, and then separate them from the vines. A field of peanuts that have been stacked for curing.

a digger-shaker-windrower. Many growers used more than one type of digging apparatus. About one-third of all growers used the first three types for digging some peanuts. Only 4.3 percent of all growers used a digger-shaker-windrower.

In terms of acreage dug, the digger and digger-shaker were used almost equally (37.1 and 36.1 percent). Plows were used to dig 19.4 percent and digger-shaker-windrowers, 7.4 percent. The digger-shaker-windrower, used primarily for peanuts to be picked by a combine, was used to dig more than twice the proportion of acreage on medium units than on the other two size groups combined.

The major types of threshing or picking equipment include stationary pickers,

Peanuts being fed into a thresher which separates them from the vines.

combines, and pickers that move from one stack to another. The stationary pickers were by far the most common with only 7.1 percent of all farmers using the other two. The use of "walking" pickers was limited almost entirely to small farms. Combines were used more by the medium size farmers with 10.4 percent of the growers using them to thresh 10.1 percent of their total acreage. Only 3.3 percent of the acreage in the small size group and 5.0 percent of the total acreage within the large farm group was threshed with combines.

Over half of all peanut farmers used part-time labor to harvest peanuts. The percentage increased from 60.0 percent for the small to a little more than 65 percent for the medium and large farm groups. The average number of workers

Farmers' stock peanuts coming from the thresher.

A more modern way of harvesting peanuts is to combine them directly from the windrow.

for those farms reporting any was about the same for small and medium size farms (5.5 and 5.1, respectively). This figure approximately tripled for the large farms.

A small proportion of all peanut growers, 6.9 percent, hogged-off, some peanuts (table 8). The proportion of small growers who hogged-off some peanuts was considerably higher (8 percent) than the proportion of medium size growers (3.4 percent) and the proportion of larger growers (4.5 percent).

A little less than 5 percent of the total peanut acreage for all farms was hogged-off. Again, a greater proportion of peanuts were hogged-off on small farms (13.2 percent) than on medium and large farms (0.7 and 1.7 percent, respectively).

Curing Methods

There are two principal methods of curing peanuts. One is to stack the peanuts on poles and allow them to dry in the field before they are threshed. The other is to combine or thresh the peanuts while they are green and dry them with natural or heated air forced through wagons or bins.

All growers regardless of size cured some peanuts in the field with natural air (table 9). Only 3.8 percent of all growers cured any peanuts with forced air. Small growers did not cure any with forced air. Eighteen percent of the medium size growers and 5.7 percent of the large growers used forced air. The proportion of the total crop cured with forced air was 8.8 percent. Medium size growers cured 17.8 percent and large growers cured 2.6 percent of the peanuts produced in the respective size groups.

Financing Methods

About one-third of all peanut growers received production supplies on credit during the production season and a little more than one-fourth of all growers received funds on credit (table 10). On those farms where funds were borrowed, the average amount reported was $874.

The average value of supplies received increased more than four times from small farms to medium size farms but

Table 8. - *Peanuts hogged-off and harvested in the survey area of Virginia-North Carolina, 1958*[1]

Item	Unit	Peanut acreage			All farms
		Under 25	25 to 74.9	75 or more	
Hogged-off:					
Growers reporting	Number	832	92	25	949
Total acreage	Acres	13,028	924	1,244	15,196
Harvested:[2]					
Growers reporting	Number	10,445	2,700	559	13,704
Total acreage	Acres	98,488	134,664	74,444	307,596

[1]All figures are estimates based on sample data.
[2]Note that all farms reported some peanuts harvested.

Table 9. - *Methods of curing peanuts in the survey area of Virginia-North Carolina, 1958*[1]

Item	Unit	Peanut acreage			All farms
		Under 25	25 to 74.9	75 or more	
Field cured in stack:					
Growers using	Number	10,445	2,700	559	13,704
Peanuts cured	Percent	100.0	82.2	97.4	91.2
Cured with forced air:					
Growers using	Number	0	485	32	517
Peanuts cured	Percent	0	17.8	2.6	8.8

[1]All figures are estimates based on sample data.

decreased slightly from the medium size farms to the large size farms. Large farmers borrowed more of their funds directly in order to purchase their supplies, while smaller farmers obtained a slightly greater proportion of their supplies directly on credit.

Contrary to popular belief, growers reported receiving a very small percentage of their production supplies from peanut buyers. Actually only medium

Table 10. - *Sources and value of supplies and funds advanced to peanut growers to produce their peanut crop in the survey area of Virginia-North Carolina, 1958*[1]

Item	Unit	Peanut acreage			All farms
		Under 25	25 to 74.9	75 or more	
Supplies obtained on credit:					
Growers receiving[2]	Number	3,326	1,016	277	4,619
Total amount received	Thous. dol.	1,192.0	1,506.1	406.6	3,104.7
Average per farm	Dollars	358	1,482	1,468	672
Funds obtained on credit:					
Growers receiving	Number	2,680	739	105	3,524
Total amount received	Thous. dol.	1,127.3	1,330.6	622.0	3,079.9
Average per farm	Dollars	421	1,800	5,924	874
Funds and supplies extended by peanut buyers:					
Growers receiving	Number	None	462	None	462
Total value	Thous. dol.	0	64.7	0	64.7
Average per farm	Dollars	0	140	0	140
Peanut growers in area	Number	10,445	2,700	559	13,704

[1]All figures are estimates based on sample data.
[2]Some growers received both supplies and cash.

size growers received any. This group received 2.2 percent of all supplies and funds from peanut buyers. The average amount received per farm from peanut buyers was $140. Attitudes of growers who were interviewed along these lines make these data of rather doubtful values. Several growers refused to answer the questions and others answered reluctantly.

The Market for Farmers' Stock Peanuts

This section is devoted to a description of the market for farmers stock peanuts in the Virginia-North Carolina area including: Type, number, and location of market outlets; storage facilities; market information; transportation facilities; and grade and support price data.

Types of Market Outlets

The cornerstone in the structure of the market for farmers' stock peanuts is the first processor. Processors are primarily cleaners and shellers who sell in wholesale lots to manufacturers for further processing, or who retail peanuts in the shelled or cleaned form. A few of the large manufacturers operate their own shelling plants.

Most cleaners and shellers buy some peanuts directly from farmers at the mill. Few, if any, secure their total supply in this manner. The greater part of the supply is received through local receiving stations scattered throughout the producing area. Receiving stations function solely to purchase peanuts, store them temporarily, and move them on to processors.

Buyers at local receiving points may be classified as independent, salaried, and commission buyers. Independent buyers have no direct connection or obligation to sell to a specific processor. They assume the risk of price fluctuation between the purchase of peanuts from farmers and the sale to processors. Salaried buyers are employed by specific manufacturers or processors to purchase peanuts for them alone. Commission buyers purchase peanuts on a commission basis for one or for several mills.

The physical structure of receiving stations ranges from expensive specialized bulk operations to barns or warehouses used seasonally for other purposes. Tobacco warehouses are used extensively in North Carolina as receiving stations for peanuts. Buyers who own or operate these stations are usually local residents who have some other type of business in addition to buying peanuts. Some are farmers who buy peanuts during the marketing season. Farm supply merchants or men operating other local businesses, however, seem to represent the majority of commission and independent peanut buyers at receiving stations.

The Federal Government supports peanut prices. In this way, the Commodity Credit Corporation becomes part of the market structure for farmers' stock peanuts. The method of administering the peanut price support program places the Government in direct competition with private buyers.

The peanut growers may sell to a marketing cooperative, The Peanut Growers Cooperative Marketing Association, Franklin, Va., which holds a warehouse contract with the CCC to store peanuts.

Advance loan payments can be made directly to growers through the PGCMA when peanuts meeting certain minimum grade requirements are delivered to a warehouse that has a contract with the cooperative to store peanuts. These advance payments are based on support prices.

Warehouses with PGCMA contracts for storage are located throughout the producing area. They are usually owned or operated by persons who also buy peanuts for the trade. A farmer delivering peanuts to one of these warehouses can, after considering grade and price, decide whether to place his peanuts under loan or to sell directly to the trade.

The method of handling peanuts placed under loan by farmers does not preserve the identity of each farmer's individual lot. Therefore, it is not possible to return them to the farmer if he should desire to reclaim them. The PGCMA assumes complete control of the peanuts, and may sell them to the trade at prices a certain minimum amount higher than the loan value.

If the peanuts have not been sold to the trade by a given date, they are turned over to the CCC. When savings result from the sale of peanuts, the PGCMA pays refunds to farmers in proportion to the amount of peanuts delivered by each grower.

Instead of having the cooperative handle peanuts, individual farmers may place them in private storage if the peanuts meet the specified grade requirements and if the storage facilities are acceptable. When this is done, the grower receives full support price. Before the due date, the grower may receive permission to sell the peanuts and pay off the loan.

The majority of these different handlers moved peanuts in bags. Many peanut growers and other personnel connected with the peanut industry believed that more peanuts would be handled in bulk in the future. A number of new bulk receiving stations were constructed in 1959 and were in operation during the marketing of the 1959 crop. Informed sources in the industry indicate that since the time of the survey, the shift toward bulk handling has continued to move at an accelerated rate.

Grading of peanuts was almost a universal practice. To be eligible for the price support program the peanuts had to be graded by a Federal-State inspector and meet certain minimum grade requirements set by CCC. Federal-State inspectors were stationed at the various outlets with equipment to establish the grade of each lot of peanuts. The advance loan price was computed for a particular grade from a schedule of loan values published before the harvest season. Buyers often used the support or loan price as a base for their price quotation by offering so many cents below or above the support or loan price.

Market outlets for farmers' stock peanuts may be classified generally as processors, receiving stations, and cooperative warehouses.

In summary, some outlets in all three groups - processors, receiving stations, and cooperative warehouses - handled peanuts in bulk but the majority handled only in bags. Processors and receiving stations handled peanuts that moved directly into marketing channels, while cooperative warehouses handled peanuts under loan for the CCC. Processors and receiving stations paid prices established by the industry or by the firms they

represented. Growers placing peanuts under loan at cooperative warehouses received loan advances determined by the price support schedule. Grading was mandatory for peanuts placed under loan and voluntary at other outlets. Buyer and grower customarily chose to have peanuts graded, however, and in most cases prices were based upon the grade.

Number and Location of Market Outlets

Receiving stations were more numerous and more widely distributed than other outlets, both in North Carolina and Virginia (figure 2). There were 113 receiving stations in the area of North Carolina included in the survey of growers and 84 in the Virginia area. Some 27 processors and 40 cooperative warehouses were operating in the two areas.

There appeared to be some relation between the number of outlets and the density of production. This was true particularly in the case of receiving stations.[5] Processors were concentrated in the northeastern part of North Carolina and the southeastern part of Virginia.

Growers interviewed in the sample survey were questioned about the availability of market outlets in their area. Nearly 35 percent of all peanut growers were located within 5 miles of a cooperative warehouse (table 11). Only 7.3 percent of all growers were 20 or more miles from a cooperative warehouse. An average of 3.7 receiving stations were as near to 84.5 percent of all growers as the nearest cooperative warehouse. Most growers were located within 70 miles of a cooperative warehouse.

Less than 1 percent of all growers were more than 100 miles from the nearest bulk handling station. Actually 61.5 percent of all growers were within 20 miles of a bulk station. Only 12.1 percent of all growers were 20 miles or more from the nearest processor and none were more than 70 miles. Almost 40 percent were within 5 miles of a processor.

Storage Facilities

Peanut growers may deliver directly from the field to markets or place peanuts in temporary storage. Reasons for electing to store temporarily may be to assemble a sufficient quantity to market, to realize profits from a price increase, or to alter the condition of the peanuts. Other reasons may be that markets are flooded and time may be lost in waiting at the receiving point or that harvesting is completed too late in the day or at the end of the week. It is possible that with proper work scheduling and adequate transportation, no storage may be required.

More than two-thirds of all growers reported having some on-farm facilities for storage of peanuts in bags (table 12). These facilities were not necessarily available at all times. In most cases they were available seasonally while not being used for some other crop. The proportion of all farms having bulk facilities was only 8.2 percent.

The average capacity of bag storage facilities for all farms was 133.5 tons. The range in average capacity between size growers was 113.0 to 198.6 tons. The medium size group had both a greater proportion of growers with bag storage

[5]Production data by minor Civil Division (townships in North Carolina and magisterial districts in Virginia) was provided by the U. S. Bureau of the Census. These figures were used with the data presented on number and location of outlets to draw this conclusion.

FIG. 2–Location and type of peanut marketing outlets, Virginia-North Carolina Peanut Area, 1959

SOURCE: APPENDIX A, FIGURE 1 AND TABLE 1.

Table 11. - *Peanut growers within specified distances of market outlets in the survey area of Virginia-North Carolina, 1958*[1]

Item	Peanut acreage			All growers	
	Under 25	25 to 74.9	75 or more		
	Percent			*Number*	*Percent*
Type of outlet					
Cooperative warehouse:[2]					
0-4.9 miles	33.8	37.8	28.9	4,728	34.5
5-9.9	28.2	28.1	20.2	3,810	27.8
10-19.9	31.6	26.7	25.9	4,166	30.4
20-39.9	4.3	3.7	24.3	685	5.0
40-69.9	2.1	3.7	0.0	315	2.3
70-99.9	0.0	0.0	0.7	0	0.0
Over 100 miles	0.0	0.0	0.0	0	0.0
	100.0	100.0	100.0		100.0
Bulk stations:[3]					
0-4.9 miles	35.6	22.3	7.8	4,385	32.0
5-9.9	13.3	29.7	24.2	2,316	16.9
10-19.9	12.2	14.9	10.1	1,727	12.6
20-39.9	17.8	22.1	39.2	2,672	19.5
40-69.9	18.9	7.3	18.7	2,275	16.6
70-99.9	1.1	3.7	0.0	219	1.6
Over 100 miles	1.1	0.0	0.0	110	0.8
	100.0	100.0	100.0		100.0
Processor:					
0-4.9	38.1	37.6	50.2	5,290	38.6
5-9.9	25.5	27.7	10.8	3,467	25.3
10-19.9	27.3	14.0	10.8	3,289	24.0
20-39.9	7.3	10.4	5.4	1,069	7.8
40-69.9	1.8	10.3	22.8	589	4.3
70-99.9	0.0	0.0	0.0	0	0.0
Over 100 miles	0.0	0.0	0.0	0	0.0
	100.0	100.0	100.0		100.0
Growers having a receiving station[4] available within the distance to nearest cooperative warehouse	8,690	2,423	467	11,580	84.5
Average number of such stations available	3.5	4.1	3.7	3.7	
All growers in area	10,445	2,700	559	13,704	100.0

[1]All figures are estimates based on sample data.
[2]This includes all warehouses that have contracts to store peanuts for a cooperative.
[3]A bulk station as defined here could be either a receiving station or a processor who handles peanuts in bulk.
[4]This includes all buying points for peanuts purchased by the trade not located at the place where the peanuts will undergo further processing.

facilities and a greater average capacity than the other size groups.

A greater proportion of small farms reported bulk storage facilities than large farms. The proportion decreased from 8.8 percent from the small group to 2.9 percent for the large. The average capacity per farm reporting was the reverse, decreasing from 434.4 tons on large to 15.4 tons on small farms.

Off-farm storage facilities were reported available by 29.2 percent of all growers. Average distance to the nearest warehouse from those reporting was 6.7 miles, and the average charge per ton per month was $2.36. The proportion of growers reporting commercial facilities available was very nearly equal for all size groups.

Farmers' stock peanuts may be stored either in bag or bulk. Bags of peanuts are stacked up at a Virginia processing plant.

A worker looks over 1,000 tons of bulk peanuts waiting to be shelled.

Table 12. - *Peanut storage facilities available to peanut growers in the survey area of Virginia-North Carolina, 1958*[1]

Item	Unit	Peanut acreage			All growers
		Under 25	25 to 74.9	75 or more	
On-farm facilities					
Bag peanuts					
Growers reporting	Number	6,903	2,053	344	9,300
Growers reporting	Percent	66.1	76.0	61.6	67.9
Average capacity per grower	Tons	113.0	198.6	154.8	133.5
Bulk peanuts					
Growers reporting	Number	924	185	16	1,125
Growers reporting	Percent	8.8	6.8	2.9	8.2
Average capacity per grower	Tons	15.4	64.9	434.4	29.5
Off-farm facilities					
Growers reporting	Number	3,109	743	154	4,006
Growers reporting	Percent	29.8	27.5	27.5	29.2
Average distance to nearest warehouse	Miles	7.2	3.6	13.1	6.7
Average charge per ton per month	Dollars	1.95	3.05	(2)	2.36

[1]All figures are estimates based on sample data.
[2]None reported.

Charges for these warehouse services were not known to many growers. Most growers said they did not use the facilities and could only estimate the charges. Actually, off-farm facilities were probably available to a greater proportion of growers than actually reported any. Many were not aware of existing facilities because they had never had occasion to seek them out.

Market Information

In marketing their crops, growers may perform the following functions: Store peanuts temporarily, select a market outlet, and transport the peanuts to that outlet. Grading services and market information provide growers with the necessary tools to select a market. The adequacy of these tools as well as facilities to store and transport may directly affect the efficiency with which growers carry out the marketing functions.

Growers were asked whether they had access to selected news media and whether they received news from these media about the peanut market. Radios were the most used source of market information (table 13). A little more than 50 percent of all growers used a radio to obtain some peanut market information. The percentages of all growers using other sources were newspapers, 48.7; television, 43.5; Virginia-North Carolina Peanut News, 38.0; agricultural extension personnel, 36.1; and other 30.4 percent.

Miscellaneous sources through which growers might receive information included U. S. Department of Agriculture

and college publications, governmental agencies, peanut buyers, and friends. These miscellaneous sources were classified as "other" for purposes of the survey of growers. Peanut growers indicated that friends and neighbors were the most important miscellaneous source.

Certain of the sources such as the Virginia-North Carolina Peanut News and agricultural extension personnel were supposedly available to all peanut growers upon request. The data indicated that some growers were not aware that these market services were available and, hence, were not using them.

With few exceptions, the proportion of growers with access to and using news media increased from small to large farms. A greater proportion of medium size growers had access to radios but a larger percentage of large growers used them. There were less than four percentage points difference between groups with access to TV. Nearly 50 percent of the small growers used TV to obtain market information while only 24.7 percent of the

Table 13. - *Peanut growers having access to and using specified news media in the survey area of Virginia-North Carolina, 1958*[1]

Source of market news	Peanut acreage			All growers	
	Under 25	25 to 74.9	75 or more		
	Number of growers reporting			*Number*	*Percent*
Radio:					
Access to source	8,316	2,419	481	11,216	81.8
Used information	5,359	1,394	327	7,080	51.7
Newspaper:					
Access to source	7,392	2,142	493	10,027	73.2
Used information	4,805	1,495	376	6,676	48.7
Television:					
Access to source	7,207	1,772	388	9,367	68.4
Used information	4,990	840	138	5,968	43.5
Virginia-North Carolina Peanut news:					
Access to source	4,528	1,587	409	6,524	47.6
Used information	3,696	1,214	296	5,206	38.0
Agricultural extension personnel:					
Access to source	7,854	2,049	497	10,400	75.9
Used information	3,419	1,302	222	4,943	36.1
Other:					
Access to source	2,868	1,209	280	4,357	31.8
Used information	2,776	1,117	267	4,160	30.4
All growers in area	10,445	2,700	559	13,704	100.0

[1]All figures represent estimates based on sample data.

large growers used this media. A higher percentage of the medium size growers used agricultural extension personnel than the small or large size growers.

In addition to the specific questions on the survey, growers said they generally knew prices paid by different buyers during the actual market season. Information about a change in price by a particular buyer spread very fast among farmers and merchants. In fact, many indicated that there was little necessity for formal price quotations such as those given on the radio and in the newspapers for other crops.

Transportation Facilities

Transportation facilities influence peanut marketing. Most receiving stations will haul peanuts for growers if requested. In some cases these stations may give the service without charge to obtain the peanuts. In other cases, growers may have to give up a premium that they would have received if they had hauled the peanuts. This premium is referred to as drayage.

Besides trucks, peanut growers used tractor trailers, auto trailers, and bulk drying trailers ordinarily pulled by a tractor to deliver peanuts to market. About two-thirds of all growers surveyed indicated that they owned some type of on-farm transportation facility (table 14). The average capacity was 1.9 tons. The proportion of all farms reporting truck facilities was 56.5 percent. Twenty-seven percent had an auto or tractor trailer or both, and less than 1 percent had dryer trailer facilities.

Table 14. - *On farm transportation facilities owned by peanut growers in the survey area of Virginia-North Carolina, 1958*[1]

Transportation facilities	Peanut acreage			All growers
	Under 25	25 to 74.9	75 or more	
Trucks:				
Number of growers owning	4,901	2,314	534	7,749
Percent of growers owning	46.9	85.7	95.5	56.5
Capacity per farm (tons)	1.0	1.7	2.2	1.3
Auto or tractor trailer or both:				
Number of growers owning	2,868	832	21	3,721
Percent of growers owning	27.4	30.8	3.8	27.2
Capacity per farm (tons)	1.7	2.8	2.4	2.0
Dryer trailer:				
Number of growers owning	92	0	8	100
Percent of growers owning	0.9	0.0	1.4	0.7
Capacity per farm (tons)	1.5	0	12.6	2.4
All transportation facilities:				
Number of growers owning	6,287	2,314	543	9,144
Percent of growers owning	60.2	85.7	97.1	66.7
Capacity per farm (tons)	1.5	2.7	2.4	1.9

[1]All figures are estimates based on sample data.

The proportion of farms having truck facilities increased from 46.9 to 95.5 percent from small to large growers. The average capacity per farm reporting also increased with the size of growers. A very small proportion of large growers reported tractor or auto trailers, while small and medium size growers had 27.4 and 30.8 percent, respectively. No medium size grower and few small and large growers had dryer trailer facilities. The average capacity per large grower reporting was relatively high, however, with 12.6 tons per grower.

These data indicate that one third of all peanut growers did not have facilities on the farm to transport peanuts to market. From another point of view, two-thirds of all growers did not have to depend upon hiring facilities to transport their crops to market.

Grade and Support Price Data

As previously mentioned, Government grading services were available to all peanut growers at established market outlets. Peanuts must be inspected and graded if they are to be placed under loan. It is left to the discretion of buyers

A farmer's truckload of farmers' stock peanuts being weighed on platform scales while another truck waits its turn.

and sellers whether to grade them otherwise. In the majority of cases peanuts were graded, regardless of their disposition.

The actual grade of a particular lot of peanuts depended upon various factors listed in the standard inspection certificate (appendix A, page 58). Base rates, premiums, and discounts associated with these factors established the support price of the peanuts.

When the peanuts were handled by the cooperative, it used a schedule (appendix A, table 2) similar in form to the actual support price schedule to compute what is commonly referred to as the loan price. The difference in the prices on the two schedules represented the handling charges levied by the cooperative. They amounted to $9.14 a ton in 1958.[6]

The North Carolina Extension Service in 1958 published a leaflet with a summary of the operations of the price support program of a particular interest to growers. Excerpts from it are presented in appendix A, page 61.

One function of a grading system for any commodity is to maintain or improve the quality of the product. When producers know what qualities are desired and know they will be paid for these qualities, they will produce the type product the market requires.

A grading system must not only reflect the quality of the product accurately but must also show farmers how quality influences the price. Growers must know the factors that affect quality and their relative weights in terms of price.

[6]The $9 deduction was discontinued beginning with the 1961 crop.

The grading system for peanuts is reasonably accurate. Certain weaknesses have shown up in sampling methods, but research has produced new equipment which promises to solve these problems.

However, grower's understanding of the grading system is a different matter. During the survey of growers, individual farmers were asked to name the factors on a standard grade sheet which establish peanut quality. Less than 50 percent of the growers knew any one factor (table 15). The percentage of all growers mentioning various factors ranged from 16.6 for size of pod to 41 for damaged kernels.

Even fewer growers knew the value of the various factors in computing loan prices. The percentage ranged from 0.8 percent for size of pod to 4 percent for 1 percent damage. Only 7.2 percent of all growers knew the value of the difference between the support and loan price of peanuts.

The proportion of medium size growers who mentioned each factor was greater than the proportion of small or large growers. The proportion in the medium size group who knew the value of each factor was also greater except for 1 percent damage. A greater proportion of large growers knew the value of this factor.

Answers to these questions on the survey clearly showed that growers were not thoroughly familiar with the grading system. So long as buyers quote on the basis of the grade, the grading system will assure farmers being paid according to quality. If farmers depend upon instinct and past performance to determine the quality of peanuts to produce, however, the system cannot adequately serve one of its major functions.

Table 15. - *Familiarity of peanut growers with grade factors influencing the CCC loan price of peanuts in survey area of Virginia-North Carolina, 1958*[1]

Item	Peanut acreage			All growers	
	Under 25	25 to 74.9	75 or more		
	Number of growers			*Number*	*Percent*
Grade factor					
Sound mature kernels (SMK):					
Mentioned	1,201	1,020	70	2,291	16.7
Knew value	92	92	4	188	1.4
Extra large kernels (ELK):					
Mentioned	1,663	1,113	154	2,930	21.4
Knew value	92	92	12	196	1.4
Damaged kernels (DK):					
Mentioned	3,788	1,671	154	5,613	41.0
Knew value:					
1%	277	185	92	554	4.0
2-7%	0	185	4	189	1.4
8%	92	185	8	285	2.1
Foreign material (FM):					
Mentioned	3,326	1,487	154	4,967	36.2
Knew value:					
1-4%	277	92	8	377	2.7
5-10%	0	92	4	96	0.7
11%	185	92	4	281	2.0
Size of pods:					
Mentioned	1,386	747	138	2,271	16.6
Knew value (minimum fancy for Virginia support schedule)	0	92	16	108	0.8
Growers who knew dollar difference between loan and support price	554	374	66	994	7.2
All growers in area	10,445	2,700	559	13,704	100.0

[1]All figures are estimates based on sample data.

Grower Selling Practices

When growers sold their peanut crop in 1958, many factors entered into the choice of various market outlets. They also used different methods for handling and hauling their crop. And nearly 19 percent of them stored their peanuts for different lengths of time.

Disposition of the 1958 Crop

More than 90 percent of all peanuts were sold through receiving stations in 1958 (appendix B, table 1). Between 6 and 7 percent was handled by the cooperative and the balance sold directly to processors. Receiving stations handled 23.6 percent of the total crop in bulk and 67.3 percent of the crop in bags. The amount handled in bulk by both processors and the cooperative was less than 2 percent.

Peanut marketing began during the week of October 5, 1958, and ended the week of March 15, 1959 (figures 3 and 4). The major portion of the crop, however, was sold by the first week in December. In fact, less than 1 percent of the crop was sold in any 1 week following the last week of November. Most of the peanuts that went to the cooperative were delivered during the last 3 weeks of November. A small percentage of the crop was delivered during the 2 weeks before and the 2 weeks succeeding these 3 heavy weeks. Bulk peanuts sold later than November represented less than 1 percent of the total crop and less than two-tenths of 1 percent of the crop was sold in bulk after the second week in December.

Medium size growers sold a larger proportion through the cooperative than the other size groups. Large growers sold 6.4 percent of their crop directly to processors, whereas medium size growers sold 1.7 percent, and small growers sold none.

Some 24.7 percent of all peanuts marketed in 1958 were handled in bulk. Medium sized growers sold about 65 percent of all peanuts marketed in bulk. Sharecroppers on the large farms and the low volume sold on small farms might account for the predominance of bag handling in these groups.

Factors Influencing Choice of Outlet

Only 11.9 percent of all peanut growers mentioned price as the criterion for selecting an outlet at which to sell their first lot of peanuts (table 16). Growers

Shelling peanuts for seed, a service often provided for growers by peanut buyers.

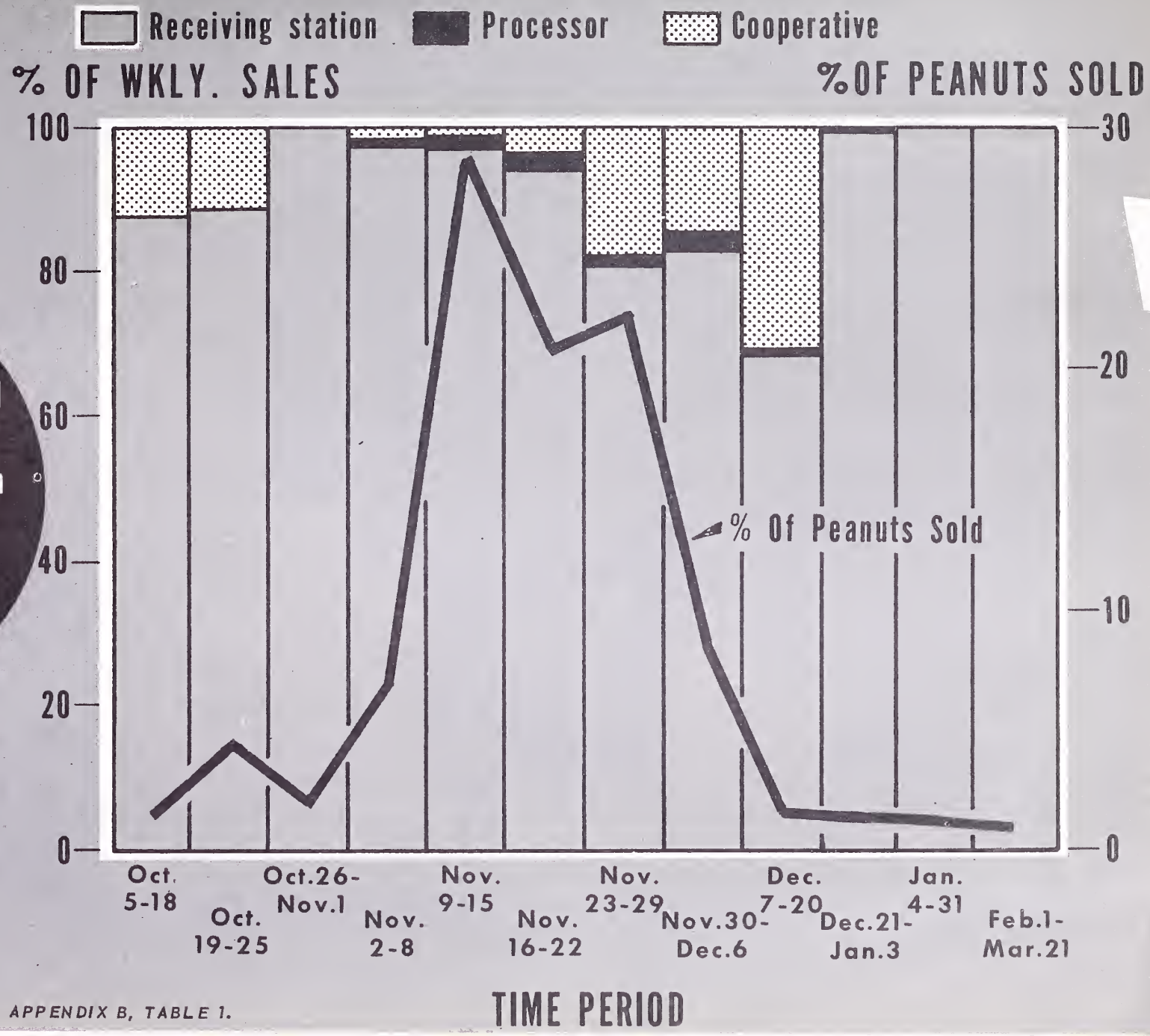


FIG. 3-Disposition of 1958 peanut crop by all farms by market outlet and marketing period in Virginia-North Carolina Peanut Area, 1958 market season.

SOURCE: APPENDIX B, TABLE 1.

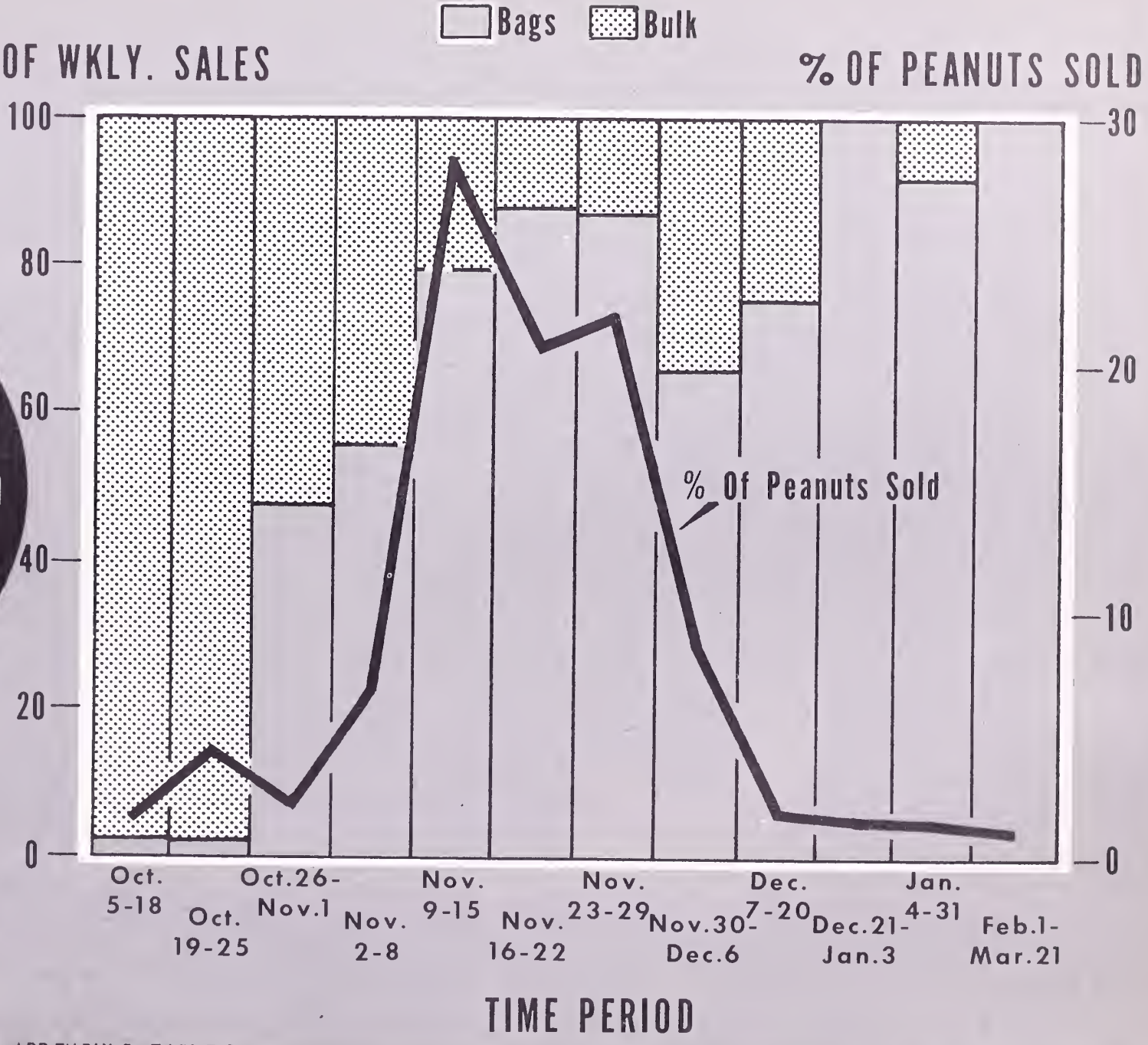


FIG. 4-Disposition of 1958 peanut crop by all growers by handling method and marketing period in Virginia-North Carolina Peanut Area, 1958 market season.

SOURCE: APPENDIX B, TABLE 1.

Table 16. - *Growers considering specified factors in selecting a market outlet for peanuts in survey area of Virginia-North Carolina, 1958*[1]

Factor considered	Peanut acreage			All growers	
	Under 25	25 to 74.9	75 or more		
	Number of growers			*Number*	*Percent*
Friend of buyer	4,066	1,218	370	5,654	41.3
Service provided at outlet	3,788	1,020	229	5,037	36.8
Custom	1,386	277	5	1,668	12.2
Price	1,205	374	57	1,636	11.9
Buyer-financed production	554	92	5	651	4.7
Transportation services	185	185	5	375	2.7
Grading	185	92	13	290	2.1
Storage services	92	0	5	97	0.7
All growers in area	10,445	2,700	559	13,704	100.0

[1]All figures are estimates based on sample data.

who indicated that price was not a factor believed that all buyers were paying identical prices.

Friendship with the buyer influenced more growers than any other factor. A little more than 40 percent of all growers mentioned it. The proportion of growers who considered it increased from 38.9 percent to 66.2 percent from the small to the large farm group.

Service at outlet was regarded as important by 36.8 percent of all growers interviewed. A slightly higher proportion of large growers considered this factor than the other size groups. The mere fact that it was their custom to sell at a particular outlet was given as a factor by 12.2 percent of all growers. Less than 1 percent of large growers mentioned custom compared with 13.3 and 10.3 percent of the small and medium size growers.

Other factors in order of importance according to the proportion of all growers reporting them were: Buyer-financed production, 4.7 percent; transportion, 2.7 percent; grading, 2.1 percent; and storage 0.7 percent.

Before grading peanuts by Government inspectors became a general practice, buyers would travel from farm to farm buying peanuts directly or negotiating with growers for future purchases. This practice of farm visiting has become less popular in recent years. The buyers who continue to visit rarely purchase peanuts directly or even negotiate on a price. The main purpose is to convince growers that the buyer is a reliable person and that the grower's patronage in delivering peanuts to him at the market price will be justified.

Only 22 percent of all growers were contacted by a buyer at the farm in 1958 before the first lot of peanuts was sold (table 17). Those growers contacted at all were visited on the average by more than one buyer. The importance of large growers to buyers was evidenced by the fact that the proportion of visits reported was more than three times that of small

Table 17. - *Selling activities of growers on farms producing peanuts in the survey area of Virginia-North Carolina, 1958*[1]

Item	Unit	Peanut acreage			All growers	
		Under 25	25 to 74.9	75 or more		
					Number	*Percent*
Time studying market information:						
Growers studying	Number	2,218	832	216	3,266	23.8
Average time spent	Hours	2.2	2.1	2.2	2.2	-
Buyers contacting growers on farm:						
Growers contacted	Number	1,940	756	326	3,022	22.0
Average buyers per grower	Number	1.6	2.7	1.8	1.9	-
Buyers contacted off farm:						
With peanuts on truck:						
Growers contacting	Number	1,756	185	5	1,946	14.2
Average buyers per grower	Number	1.1	1.0	1.0	1.0	-
Average distance traveled	Miles	17.4	3.5	9.0	16.0	-
Without peanuts on truck:						
Growers contacting	Number	4,532	1,676	189	6,397	46.7
Average buyers per grower	Number	1.8	2.5	2.0	2.0	-
Average distance traveled	Miles	11.1	8.8	7.4	10.4	-
Time spent negotiating with buyers:						
Growers negotiating	Number	1,678	189	119	1,986	14.5
Average time spent	Hours	1.8	1.0	4.5	1.9	-
All growers in area	Number	10,445	2,700	559	13,704	100.0

[1]All figures are estimates based on sample data.

growers and twice that of medium size growers.

Less than one-fourth of all growers reported spending time studying any type of information such as price reports, services at different outlets, and the like, before selling their first lot of peanuts. The proportion of growers who did study market information increased from 21.2 to 38.6 percent from the small growers to the large growers. The average amount of time for all growers was 2.2 hours. There was very little difference among size groups in the average time spent.

Only a small percentage of growers (14.2 percent) loaded their peanuts on a truck and drove from market to market to negotiate with buyers in 1958. This proportion decreased from 16.8 percent for the small farm group to 0.9 percent for the large farm group. All growers who did contact a buyer in this way talked to only one on the average. There were indications that some growers had their peanuts delivered by farm labor and received payment for them without ever having any personal contact with a buyer.

The average distance traveled by all growers contacting buyers with peanuts on the truck was 16 miles. Small growers traveled 17.4, medium size growers 3.5, and large growers 9 miles. The average distance traveled by all growers contacting buyers before moving the peanuts was 10.4 miles. The average decreased from 11.1 miles for small growers to 7.4 miles for large growers. The average time spent by all growers negotiating with buyers was 1.9 hours. Large growers averaged 4.5 hours, medium size growers 1 hour, and small growers 1.8 hours.

Hauling and Handling Practices

Slightly less than half of all peanut growers hauled peanuts to market in their own transportation facilities (table 18). The proportion of all growers using commercial and buyer facilities was 11.7 and 40.9 percent, respectively. The proportion of growers hauling in owned facilities increased as the size of farm increased. The proportion of growers using buyer facilities appeared to decrease as the size of the farm increased. A very small proportion of medium size growers used commercial facilities as compared to the other size groups.

Grower-owned facilities transported 58.4 percent of the 1958 peanut crop to market. Buyers hauled 34.5 percent and commercial facilities hauled 7.1 percent. The percentage hauled by grower-owned facilities and by buyers was almost equal for the small size growers. Medium growers hauled 55.8 percent with their own facilities and had 43.5 percent hauled by buyers. Large growers hauled 79.7 percent with owned facilities and had only 10.4 percent hauled by buyers. The proportion hauled by commercial facilities was less than 15 percent in all size groups.

Only 4.4 percent of all peanuts were hauled 20 or more miles to point of first sale. Grower-owned facilities were used to haul 20.6 percent of all peanuts less than 5 miles and 17.5 percent were hauled less than 5 miles by buyers. Commercial facilities were used to haul 1.0 percent less than 5 miles. Apparently small and medium size growers who had buyers haul their peanuts were a little farther from market outlets than the small and medium growers who hauled their own peanuts.

Table 18. - *Hauling practices in moving peanuts from the farm to first buyer in the survey area of Virginia-North Carolina, 1958*[1]

Item	Peanut acreage			All farms
	Under 25	25 to 74.9	75 or more	
	Percent			
Hauled in owned facilities:				
Growers hauling	43.3	59.3	67.5	47.4
Distance peanuts hauled:				
0-4.9 miles	31.5	20.6	8.7	20.6
5-9.9 miles	9.9	32.6	43.5	29.0
10-19.9 miles	1.3	2.6	26.3	8.4
20-39.9 miles	.4	-	1.2	0.4
Total	43.1	55.8	79.7	58.4
Hauled by commercial vehicles:				
Growers using	13.8	2.5	16.6	11.7
Distance peanuts hauled:				
0-4.9 miles	3.5	-	-	1.0
5-9.9 miles	4.6	.7	-	1.6
10-19.9 miles	6.5	-	-	1.9
20-39.9 miles	-	-	9.9	2.6
Total	14.6	.7	9.9	7.1
Hauled by buyers:				
Growers using	42.9	38.2	15.9	40.9
Distance peanuts hauled:				
0-4.9 miles	16.9	26.1	3.5	17.5
5-9.9 miles	18.1	8.3	2.4	9.6
10-19.9 miles	5.7	7.6	3.4	6.0
20-39.9 miles	1.6	1.5	1.1	1.4
Total	42.3	43.5	10.4	34.5
All peanuts hauled	100.0	100.0	100.0	100.0

[1]All figures are estimates based on sample data.

The pattern of hauling peanuts from the farm to first buyer is illustrated in figure 5. Population centers where buyers were located and midpoints of survey areas are shown on the map. Movement of peanuts is illustrated by sold lines from these areas to buying points. Note that peanuts did not move consistently to the nearest buyer. Part of this is associated with the scarcity of bulk stations in 1958 and part by the several factors described above which influence growers' choice of a buyer.

Peanuts are delivered to market outlets either in bags or in bulk. In 1958, 93 percent of all growers delivered some peanuts in bags (table 19). A little more than one-fifth of all growers delivered some in bulk. Some growers in each size group delivered some in bulk. Some growers in each size group delivered by both methods. This was more common for medium size growers than for large or small growers.

The average distance all growers hauled bag peanuts was greater than for bulk peanuts. Apparently growers only sold in bulk when outlets were relatively close. Otherwise the average distance hauled would be greater since growers are closer to bag stations than to bulk stations on the average.

Storage Practices

Only 18.6 percent of all peanut growers stored any of their 1958 peanut crop (table 20). One percent of all growers stored peanuts in commercial facilities. A much larger proportion of small growers stored some peanuts than medium or large growers.

Of the total amount of peanuts stored, more than one-third was stored for a period of 7 days or less. A little less than one-fifth were stored from 8 to 14 days. Thirty-six percent were stored from 29 to 42 days. Only 2.8 percent

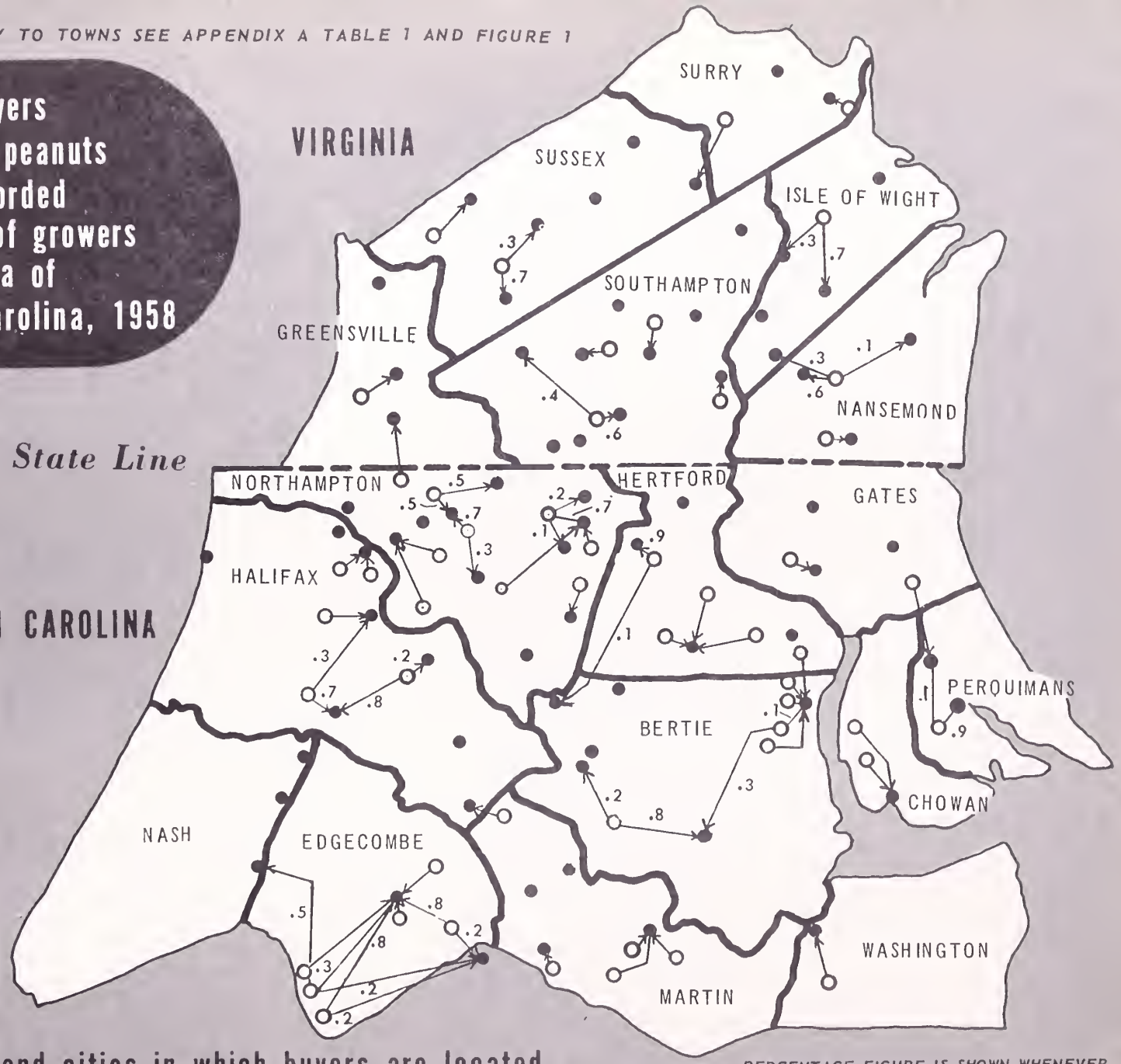
Table 19. - *Peanuts hauled to market in bag or bulk in the survey area of Virginia-North Carolina, 1958*[1]

Item	Unit	Peanut acreage			All farms
		Under 25	25 to 74.9	75 or more	
Bags:					
Growers delivering[2]	Number	9,521	2,692	534	12,747
	Percent	69.2	99.7	95.5	93.0
Total peanuts delivered	Percent	81.5	63.5	89.0	75.3
Average distance hauled	Miles	6.09	5.09	9.21	6.45
Bulk:					
Growers delivering	Number	1,663	1,209	49	2,921
	Percent	51.6	44.8	8.8	21.3
Total peanuts delivered	Percent	18.5	36.5	11.0	24.7
Average distance hauled	Miles	3.22	5.44	4.96	4.69
All peanuts hauled	Percent	100.0	100.0	100.0	100.0

[1]All figures are estimates based on sample data.
[2]Some growers delivered in both bags and bulk.

SOURCE: KEY TO TOWNS SEE APPENDIX A TABLE 1 AND FIGURE 1

FIG.5–Location of buyers and movement of peanuts to market as recorded from sales slips of growers in the survey area of Virginia-North Carolina, 1958



• Towns and cities in which buyers are located

○ Center of segment in which sales slips were obtained

PERCENTAGE FIGURE IS SHOWN WHENEVER MORE THAN ONE BUYER LOCATION WAS UTILIZED BY GROWERS IN A SEGMENT.

Table 20. - *Storage practices of peanut growers in the survey of Virginia-North Carolina, 1958*[1]

Item	Unit	Peanut acreage			All growers
		Under 25	25 to 74.9	75 or more	
Storage on farms					
Growers storing:	Number	2,177	212	27	2,416
	Percent	20.8	7.8	4.8	17.6
Total peanuts stored:					
7 days or less	Percent	2.8	2.9	0	2.1
8 to 14 days	Percent	3.5	0	0	1.0
15 to 21 days	Percent	1.5	0	0	.4
22 to 28 days	Percent	.5	0	.4	.2
29 to 35 days	Percent	.1	0	5.4	1.4
36 to 42 days	Percent	3.7	0	.7	1.2
43 to 49 days	Percent	0	0	0	0
50 to 56 days	Percent	0	0	.3	.1
57 to 63 days	Percent	0	0	0	0
64 to 70 days	Percent	0	0	0	0
71 to 77 days	Percent	0	0	0	0
78 to 84 days	Percent	0	0	.6	.1
Storage in commercial facilities					
Growers storing:	Number	126	0	4	130
	Percent	1.2	0	.7	1.0
Total peanuts stored:					
7 days or less	Percent	1.6	0	0	.4
8 to 14 days	Percent	0	0	1.1	.3
15 to 21 days	Percent	0	0	0	0

[1]All figures are estimates based on sample data.

were stored longer than 42 days. No peanuts were stored in commercial facilities by growers for more than 14 days.

None of the medium size growers stored peanuts for more than 7 days. Only large growers stored longer than 42 days. Although small growers stored more peanuts than either of the other two groups, they stored for a shorter period of time than the large group.

Analysis of Grower Selling Practices

In the analysis of grower selling practices consideration was given to the following: A suggested general method for selecting an outlet, selection of outlets by growers, and selection of a time to sell.

General Method for Selecting an Outlet

This section gives a procedure that farmers can use in selecting the outlet or the buyer paying the highest net price

for peanuts. Net price is defined as the quoted price plus any premium or expected dividends measured in cents per pound minus the cost per pound for handling and delivering the peanuts.

Considerations Involved in Selecting Outlet

The decision as to where to sell to obtain the highest income is particularly difficult for peanut farmers because of the nature of the costs that must be determined and the nature of price quotations.

Costs of transporting peanuts vary with each individual farm. Also, the method of handling affects the cost. It is fairly safe to assume that handling in bulk reduces the costs of handling per mile, but the scarcity of bulk outlets may require that peanuts be hauled farther and this in turn increases total transportation costs.

Prices are generally quoted in terms of the Government loan or support price. Growers, therefore, cannot accurately determine the absolute price that will be paid. Premiums which are frequently paid for drayage further complicate the procedure. When peanuts are placed under loan with the cooperative, it may sell them, and any savings resulting therefore are refunded to the growers. This requires that a grower make a subjective estimate of the size of this refund before deciding to sell to a private buyer.

It is impossible to determine realistic cost figures that would apply to all peanut growers in handling and delivering their peanuts to market. Each individual grower, however, should be able to determine fairly reliable estimates for his particular situation. Assuming that he can make these estimates, a simple systematic procedure is suggested to allow him to make intelligent decisions as to where to sell his peanuts.

The simplest criterion in this situation for selecting an outlet that will afford the highest income appears to be net price. A net price can be calculated from each price quotation and the solution is simply to sell to the outlet with the highest net price. These net prices do not have to be accurate in an absolute sense. As long as they are accurate relative to each other they provide a basis for selection. This will simplify the computational procedure.

Suggested Procedure

The first step that a grower should make in selling is probably to contact several buyers and obtain a set of price quotations. Most buyers will quote prices relative to the loan or support price. The support price is announced before the marketing season and remains stable throughout the season. In other words, the price will be quoted as so many cents above or below loan. In addition, the buyer may or may not pay drayage.

Because of the complicated grading procedure, a price quotation of this nature makes it literally impossible for a grower to arrive at an accurate absolute price for his peanuts. It is not necessary, however, to determine the absolute price in order to get a net figure that will serve to select the highest income outlet. Some constant figure such as 10 cents a pound can be arbitrarily selected to represent the loan or support price.

This constant figure can then be adjusted according to premiums or discounts to arrive at a quantitative price quotation that is relatively accurate. This adjusted price quotation may be called the relative

gross price. Costs subtracted from it will leave the relative net price figures that will be as good as absolute net prices when used as choice indicators.

A formula, $P_g - C + B - D$, might help illustrate the procedure for arriving at the relative gross price. In the formula P_g equals relative gross price per pound; C equals some constant figure, such as 10 cents a pound; B equals premiums above or in addition to loan or support price in cents a pound; and D equals discounts below loan or support price plus any other deductions in cents a pound. Expected dividends would be included in (B) when computing a relative gross price for the cooperative. Assume a private buyer quoted his price as being 1 cent a pound above loan, and that he paid 15 cents a hundredweight drayage (0.15 cent a pound). The relative gross price (P_g) would be 10 + 1.15 - 0 = 11.15 cents a pound.

The primary costs to be considered in this procedure are those of handling and transporting peanuts. Simplification is possible here in arriving at relative net prices. Only the difference between the cost of bag versus bulk handling need be estimated. Rather than subtract absolute costs of handling by either method from the appropriate relative gross price, the additional costs per pound from handling in bags are subtracted from the relative gross prices for bag peanuts.

If peanuts are hauled by buyers or commercial facilities, the cost per pound for hauling is easily determined by merely dividing the total cost by the pounds hauled. If private vehicles are used, some good estimating is necessary as described later.

A concise statement of the procedure for obtaining the largest income from the most desirable outlet follows:

1. Obtain several price quotations.

2. Adjust the price quotations to relative gross prices using the formula: $P_g = C + B - D$.

3. Determine the difference in cost per pound for handling in bags and bulk.

4. Compute or estimate the cost per pound for hauling:

   a. If they are hauled by commercial facilities the charge rate will usually be a flat rate per mile for the truck load. The cost per pound of peanuts hauled (C_t) would be $\frac{MR}{W}$, or M (miles hauled) times R (rate per mile) divided by W (total pounds hauled).

   b. If they are hauled by farm equipment, the procedure may be the same as above, or it may be simpler to estimate the total cost of the trip which may include labor[7] and divide by the pounds of peanuts delivered: $C_t = \frac{T.}{W}$ T equals total cost of trip in cents.

5. Determine relative net prices:

   a. For bulk outlets: $P_n = P_g - C_t$, where P_n is the relative net price for bulk peanuts; Pg is the relative gross price per pound; and C_t is the cost per pound of peanuts hauled.

[7] Growers would need to estimate value of their own time.

b. For bag handling: $P_n = P_g - C_t - H$, where H is the additional cost of handling in bags over bulk.

6. Sell peanuts to the outlet with the highest relative net price.

Selection of Outlets by Growers

According to the survey, only 11.9 percent of all growers were influenced by the price of peanuts in selecting an outlet. This may not mean that growers did not consider price important, but rather they assumed all buyers were paying the same price.

A sample of sales slips of each grower in the survey made it possible to compare prices being paid by all buyers. Reference to price support data and computation showed the loan price for each lot of peanuts. Comparisons of these computed loan prices with the prices actually received by growers indicate that this assumption may not have been valid (table 21).

Over 80 percent of all peanuts were sold to private buyers at or below loan price. Loan price plus drayage was paid for 6.3 percent of the crop and 3.6 percent brought above loan. Of the remainder, 2 percent was not eligible for loan because of high moisture or grade defects. Only 6.7 percent was delivered to PGCMA.

Large size growers did not sell as great a proportion of their peanuts in the two price classes of loan plus drayage and above loan as the medium and small growers. The medium size group marketed a slightly greater proportion of peanuts that were not acceptable for CCC loan because of grade than the small or large size groups.

Various non-price motives for selling such as friendship of buyer, custom, and service provided at specific outlets may have resulted in some loss of revenue for those growers who did not investigate prices before selling. As reported earlier, a very small percentage of growers (14.5) spent any time negotiating with buyers and the growers who did negotiate with buyers spent less than 2 hours on the average with them.

Transportation

Only a small proportion of all growers considered several factors that affect the cost of marketing peanuts. Transportation was considered by only 2.7 percent of all growers before selecting a market outlet. Unless all outlets available to a grower are located adjacent to each other, the cost of transportation would have to be considered in order to sell for the highest income.

If all prices were the same, as many growers seemed to believe, each grower would sell to the nearest outlet to receive the largest net returns. As shown earlier in figure 5, however, peanuts were hauled several miles farther than the nearest outlets. Some of this cross-hauling was obviously necessary on the part of individual growers if they wished to obtain the highest income since there were apparently differences in prices between outlets. It seems, however, that some hauling expenses were incurred simply because of custom, lack of market price data, or other motives that did not add to income.

While "cross-hauling" may be justified insofar as an individual grower is concerned, it indicates inefficiency in the marketing system or of practices of growers considered as a whole. It usually

Table 21. - *Peanuts sold in specified price classes by method of handling, type of outlet, and size of acreage grown in the survey area of Virginia-North Carolina, 1958*[1]

Item	Peanut acreage			All farms
	Under 25	25 to 74.9	75 or more	
	Percent			
Peanuts sold in bags				
To private buyers:				
1. Below loan price	4.8	2.0	2.5	3.0
2. At loan price	60.8	43.0	76.3	56.8
3. At loan plus drayage[2]	2.8	4.8	3.2	3.8
4. Above loan	5.7	2.2	2.8	3.3
5. Grade not acceptable for loan	0.1	4.1	(3)	1.9
Total	74.2	56.1	84.8	68.8
To PGCMA:	7.3	7.4	4.1	6.5
Total bag sales	81.5	63.5	88.9	75.3
Peanuts sold in bulk				
To private buyers:				
1. Below loan price	2.0	6.8	0.1	3.7
2. At loan price	15.4	24.6	9.2	17.9
3. At loan plus drayage[2]	0.9	4.2	1.3	2.5
4. Above loan	0.2	0.5	0.1	0.3
5. Grade not acceptable for loan	(3)	(3)	0.3	0.1
Total	18.5	36.1	11.0	24.5
To PGCMA:	(3)	0.4	0.1	0.2
Total bulk sales	18.5	36.5	11.1	24.7
Total bag and bulk sales	100.0	100.0	100.0	100.0

[1]All figures are estimates based on sample data.
[2]All peanuts for which drayage was listed on sales receipts were found in this category. None of the other categories include peanuts for which drayage was reported paid on the sales receipts. Only drayage listed on sales receipts was accounted for.
[3]None reported.

is a case of inadequate knowledge and failure of sellers to respond immediately to price changes. In other words, if price changes by certain buyers were known immediately by all other buyers and all sellers, there would be an immediate response in prices paid by all other buyers.

Also, the present mixed structure of bag and bulk outlets may explain some cross-hauling by individual growers. If bulk handling is a much cheaper method of handling, however, bag outlets should eventually give way to bulk outlets and eliminate this reason for cross-hauling.

Importance of Support Program

The results of the survey indicate that some growers may not have taken full advantage of the Government support program. Assuming all peanuts, except the 2 percent which did not come up to grade, could have been delivered to the PGCMA and that each lot could have been sold at the CCC loan price, it appears that all peanuts were not sold so as to obtain the highest income. At least the sales were not made to obtain the highest expected income if there were any refunds at all expected from the PGCMA. The past record would seem to indicate that there was at least a possibility of some refunds.

It is possible that the procedure for determining which outlet would return highest income was followed and that costs of hauling and handling peanuts at PGCMA were more than equal to the expected refunds. The relatively large number of cooperative warehouses available throughout the area for handling bag peanuts, however, indicates that some growers sold at prices less than or equal to loan prices when they could have delivered their crop to a cooperative warehouse at little or no extra cost.

A comparison of prices of peanuts sold in bags and bulk indicates that there may have been some price discrimination on the part of buyers against bulk peanuts. The proportion of all bulk peanuts sold at prices below loan (15 percent) was much greater than the proportion of all bag peanuts sold below loan (4 percent). The limited warehouse facilities for handling bulk peanuts under loan may have played a part in keeping the proportion of all bulk peanuts moving to the PGCMA (less than 1 percent) below that of all bagged nuts (9 percent). Thus, some of the reduction in costs to the farmer from handling in bulk may be dissipated through lower prices.

Selection of a Time to Sell

Storing peanuts is profitable only when the value of the peanuts minus all storage costs is greater than the value before storage. In other words, the price of peanuts must increase enough to offset the reduction in weight, the additional cost of handling, and the cost of storage structures required.

To arrive at the price of peanuts at some future date, the probability of quality deterioration of the peanuts in storage must be considered as well as the market price of peanuts in general. Such hazards as fire, insects, and rodents could bring about a reduction in the price of the peanuts in storage even though the market price of a given grade increased.

Evaluation of Storage Costs

In evaluating the cost of storage, the existing storage facilities available must be considered. Building new storage will

pay only if the value added to peanuts year after year can be expected to exceed the total costs involved. Once storage facilities are available, however, the decision to utilize them in any one season depends upon obtaining gains in value of the peanuts at least equal to the variable costs. The variable costs in this case include the difference in costs of storing in the facilities and the cost if they were not used.

Another item of cost when peanuts are stored without a Government loan is interest on the money tied up in the peanuts. In many cases, peanut farmers borrow money to produce peanuts and pay interest on the loans. The sooner the loans are paid off, the less interest will have to be paid. Actually, many farmers borrow money for production from sources that demand the peanuts be marketed early and the loans paid off.

The actual risks from quality deterioration and loss due to fire may vary among farmers, depending on the management or handling of the peanuts in storage. Factors that affect the condition and storability of peanuts appear to include method of curing, stage of maturity when dug, length of curing period, and weather conditions during curing.

The exact weight loss that can be expected from storage on farms has not been estimated. A study conducted by the U. S. Department of Agriculture indicated, however, that the average weight loss from commercial storage and handling from 1947-48 to 1951-52 varied between 0.3 to 2.5 percent.[8] Some farmers contacted during the present survey estimated that they would lose approximately 1 percent due to shrinkage if they stored their ~~periods~~ peanuts for a period of at least 3 months.

Seasonal Price Movements

Seasonal price movements can be expected when competitive pricing prevails. Below average prices can be expected during peak marketing at harvest, reflecting a supply in excess of processors' and consumers' immediate requirements, and congestion of marketing facilities. Price support programs or lack of competition, however, may modify the expected movement of prices.

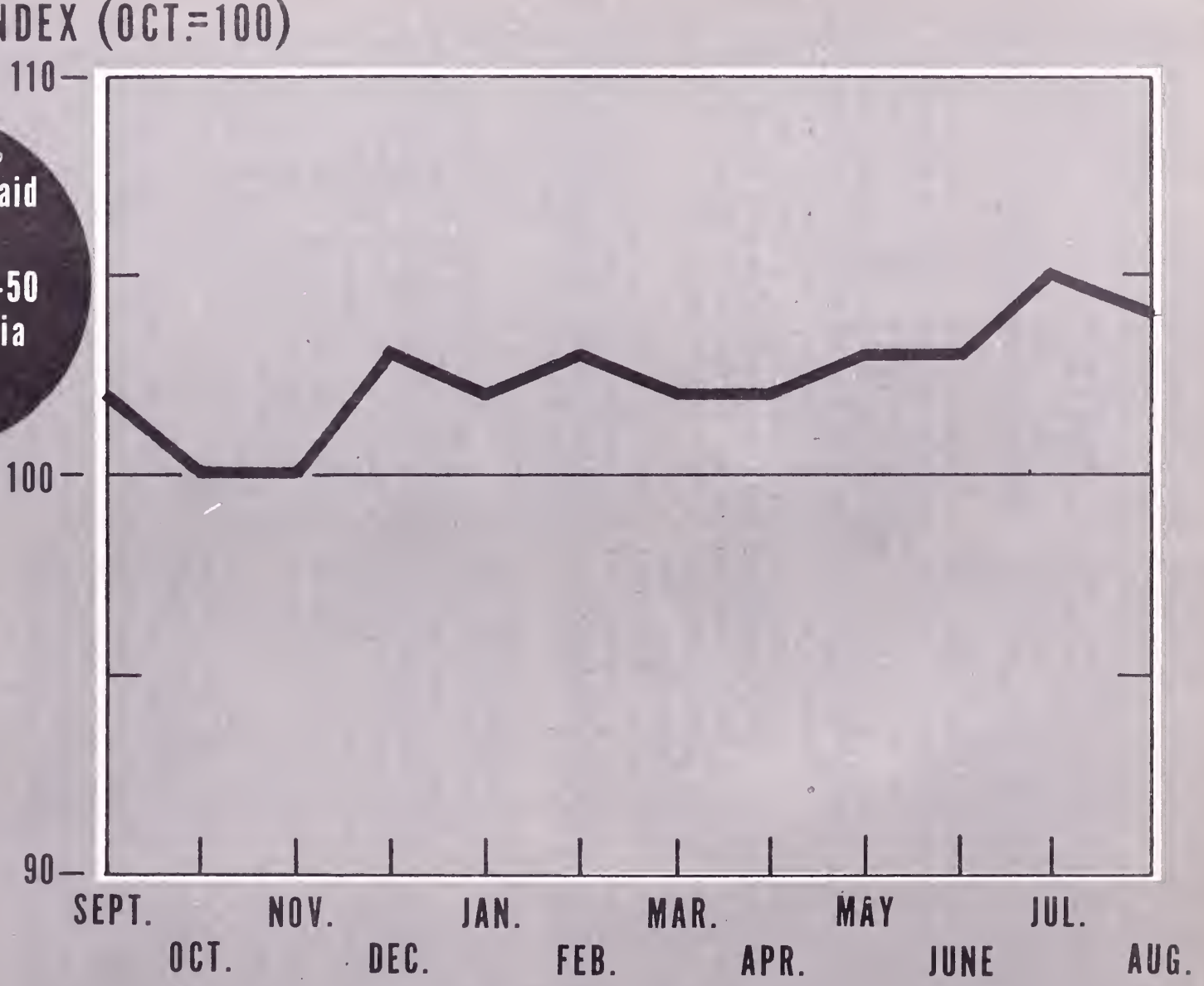
Available data on prices of peanuts should enable individual farmers to decide on the profitability of storing their peanuts if they can reach a reliable estimate of the costs.

In the peanut production area of North Carolina and Virginia, harvesting activities are usually extended to their limits during the latter part of October. A seasonal price index for the period 1949-50 to 1959-60, using October as the base month, indicated that the average price of peanuts did not change in November (figure 6). It increased by 3 percent in December and fluctuated between 2 and 3 percent above October through June. The price was highest in July at 5 percent above October, and dropped 1 percent from this in August.

The survey of peanut growers indicated that more than 95 percent of all peanuts sold from the opening of the market until October 25 were sold at loan prices (figure 7). Some peanuts sold during this period received drayage. During the week following October 25, 32.2 percent of all

[8] Agnew, Donald B. and Jackson, Donald. Storage in Marketing Farmers' Stock Peanuts. Agricultural Marketing Service, U. S. Dept. of Agr. Mar. Res. Rpt. No. 88, p. 24. Apr. 1955.

FIG.6–Seasonal index of average prices paid for farmers' stock peanuts from 1949-50 to 1959-60 in Virginia-North Carolina Peanut Area



SOURCE: APPENDIX B, TABLE 2.

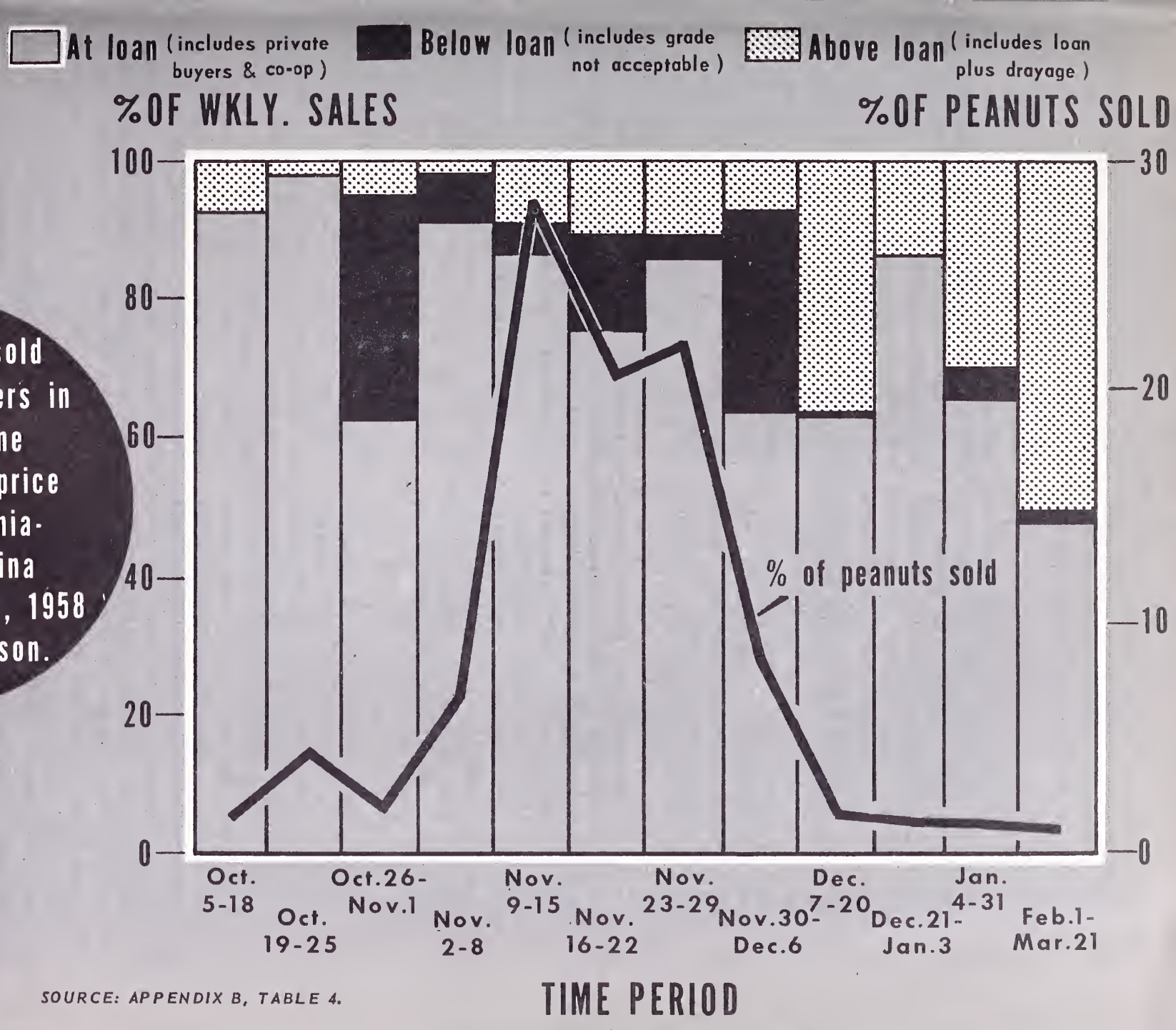


FIG.7-Peanuts sold by all growers in specified time periods by price class, Virginia-North Carolina Peanut Area, 1958 market season.

SOURCE: APPENDIX B, TABLE 4.

peanuts sold brought prices below loan. Sixty-three percent of the peanuts were sold at loan and the remainder at loan plus drayage.

The PGCMA did not receive any peanuts until the first week in November. After the first week in November, the proportion of peanuts sold to the cooperative increased for each period up to November 29 except one (appendix B, table 4). Prices above loan were paid on 10 percent of the peanuts marketed during the period November 9 to November 22 (figure 7). The proportion of peanuts sold to the cooperative, the proportion sold above loan prices, and the proportion for which drayage was paid increased somewhat after October.

The average price of peanuts during the period 1949-50 to 1959-60 was highest during July and August (figure 6). During what may be considered the normal marketing season in North Carolina and Virginia, the price was highest in December. As a matter of fact, the value of a ton of peanuts in December averaged $8 higher than in October (appendix B, table 5).

Of course, some or all of the price difference could have been due to differences in grade. Since almost 100 percent of all peanuts were sold on the basis of grade at the time, it was difficult to determine the amount of price change that was due to general market conditions of supply and demand and that due to grade differences. The price and grade data received from farmers interviewed in the survey showed that the peanuts whose grade was not high enough for a CCC loan were sold in November, with the exception of a small batch sold in January. This might indicate that the higher price in December could have been due, at least partially, to an increase in the quality of peanuts sold.

According to these average data, the best time to sell peanuts, assuming no storage costs, would have been in December. Selling in December rather than in October would have paid in 8 out of 11 years. In the 3 other years, however, a loss in value due to a price decline would have occurred. If a grower had sold his peanuts in December rather than in October for the entire period, he would have gained the difference between $8 a ton and the cost of storage, assuming the increase was not affected by grade.

Implications of Selling Practices

In many cases, farm storage was adequate to hold peanuts in bags until December or later. Less than 5 percent of all peanuts, however, were actually sold in this month for the 1958-59 season. Most growers sold their peanuts as soon as they were harvested. They expressed the belief that prices were fairly stable, and costs and risks were too great to gamble on a price increase. Also, they needed the money to pay off obligations and could not afford to hold their peanuts off the market.

The average price paid for peanuts was lower in December for the 1958-59 season (appendix B, table 3). The proportion of peanuts that sold below loan according to the survey, however, was low in this month. In fact, actual prices compared to loan prices were more favorable in December than in many other periods. This suggests that a large portion of the price differences that showed up in the seasonal price quotation was due to differences in grade. Because of the risks attached to price changes as well as the risks of loss in storage, it was apparently

not a wise practice for growers to store peanuts any longer than necessary to realize savings from hauling in large lots.

The decision whether to store, however, rests with the individual grower. The information given here should help in anticipating the market price change, and in analyzing storage costs. These factors are important criteria for decision. Storage to prevent market congestion will take place only if growers follow these criteria and buyers use their price-making facilities to guide the movement of peanuts to market. Buyers cannot expect farmers to store peanuts merely to prevent congestion of buying facilities if prices do not reflect the added costs farmers incur.

Growers' Attitudes to Other Marketing Techniques

The efficiency of any marketing system must be evaluated in terms of the functions it performs. Any marketing system has two main purposes. One is to increase the value of raw products produced on the farm. This is accomplished by such marketing functions as assembling, processing, storing, transporting, and distributing. The other purpose is to allocate the product among buyers and the returns among sellers in such a way as to reflect consumer preferences in the use of resources in both primary production and marketing itself.

The first of these purposes has to do with operating the marketing system and the other with pricing. The efficiency of the system therefore must be evaluated with respect to both its operational and pricing efficiency.

Not enough data have been accumulated at this time to evaluate the efficiency of the current system of marketing peanuts. The survey of peanut growers, however, revealed somewhat the attitude of farmers regarding several alternative systems.

Different marketing techniques have been used with varying degrees of success for various farm products. One of these that could conceivably be adapted to peanuts is an auction type system. Presumably a market system of this type would consist of fairly large physical structures located throughout the peanut producing area. Farmers would bring their peanuts to the market and several buyers would have an opportunity to bid on each lot.

Another type of system that has been used, particularly with fruits and vegetables, is the central market type. The primary difference between this type and the auction type is in the exchange or selling technique. Instead of a formal auction similar to that conducted at livestock or tobacco markets, farmers would negotiate independently with buyers to obtain the highest price for their peanuts.

Greater marketing efficiency for certain commodities has been sought through the use of marketing agreement and order programs. These programs have been used primarily with milk. In certain areas of the country they also have been applied to fruits and vegetables. The primary purposes of these programs are to bring about an orderly flow of product to market and to maintain or increase the quality of the product. In order to do this, restrictions may be placed on growers and handlers that regulate the quantity and quality of product that can

be marketed throughout the season. Various other types of restrictions or regulations may also be used.

Cooperative marketing is not necessarily limited to any specific market structure. It is used to a certain extent in the current system of marketing peanuts. It could be used more intensively without seriously altering the current structure. The other marketing systems mentioned could be established on a cooperative basis. In any situation, however, a cooperative must be as efficient as other establishments and receive the support of farmers to be successful.

Auction Markets

Answers of peanut growers to questions on the survey indicated that 47 percent of all growers were familiar with an auction type market (table 22). The remainder were totally or vaguely unfamiliar with it. Only those growers who indicated that they were familiar with an auction market were asked if they thought an auction market system would be better than the current system. The proportion answering yes was 45.7 percent. A few (8 percent) indicated that they were not sure at the time and the remainder answered no.

A greater proportion of large growers were familiar with an auction market than were either small or medium size growers. The proportion of these large growers who thought it would be a better way to sell peanuts was less. A relatively large proportion of medium size growers were undecided about whether an auction market system for peanuts would be better. A large proportion of those who were in favor of it, however, indicated that they were willing to help organize and become a member of an auction cooperative.

Of the growers familiar with an auction, 46.9 percent indicated they would help organize one. Here, too, there was an undecided group representing 6.8 percent of the total. The others indicated that they would not help organize one.

A relatively large proportion (13.4 percent) of the growers familiar with an auction market were uncertain about whether they would become a member of an auction cooperative if one were organized. The remainder were about evenly divided between those who indicated they would and those who would not, with a slightly higher proportion indicating they would support an auction market.

The primary advantage that most growers thought would be associated with an auction system was an increase in price competition. The chief disadvantage mentioned was the expense involved in establishing and operating such a system. Several growers indicated that peanuts were too bulky to be handled efficiently through an auction. Other growers were concerned about how grading would be accomplished and whether buyers would support an auction system. Some growers could see no advantages to an auction system and others could see no disadvantages.

Central Market

More than two-thirds (70.1 percent) of all growers favored a central type market for peanuts (table 23). The remainder were either not sure or definitely opposed to such a market. Those growers who favored a central type market were asked if they preferred this

Table 22. - *Replies of peanut growers to questions concerning an auction market for peanuts in the survey area of Virginia-North Carolina, 1958*[1]

Item	Peanut acreage			All growers	
	Under 25	25 to 74.9	75 or more		
	Number			*Number*	*Percent*
Are you familiar with an auction type market?					
Yes	4,994	1,121	321	6,436	47.0
No	5,359	1,579	234	7,172	52.3
Undecided	92	0	4	96	0.7
Do you think an auction type market for peanuts would be better than the current method?[2]					
Yes	2,312	503	128	2,943	45.7
No	2,402	416	160	2,978	46.3
Undecided	280	202	33	515	8.0
Would you help organize an auction market for peanuts?[2]					
Yes	2,197	667	156	3,020	46.9
No	2,497	343	139	2,979	46.3
Undecided	300	111	26	437	6.8
Would you become a member of an auction cooperative?[2]					
Yes	2,157	556	140	2,853	44.3
No	2,252	343	126	2,721	42.3
Undecided	585	222	55	862	13.4
All growers in area	10,445	2,700	559	13,704	100.0

[1]All figures are estimates based on sample data.
[2]Questions asked only those growers who were familiar with an auction type market.

Table 23. - *Replies of peanut growers to questions concerning a central mark for peanuts in the survey area of Virginia-North Carolina, 1958*[1]

Item	Peanut acreage			All growers	
	Under 25	25 to 74.9	75 or more		
	Number			*Number*	*Percent*
Would you be in favor of a central type of market for peanuts?					
Yes	7,145	2,039	422	9,606	70.1
No	2,360	472	98	2,930	21.4
Undecided	940	189	39	1,168	8.5
Would you prefer a central type over an auction type?[2]					
Yes	4,337	1,203	188	5,728	59.6
No	1,786	277	183	2,246	23.4
Undecided	1,022	559	51	1,632	17.0
Would you sell your peanuts in a central type market?[3]					
Yes	3,469	973	165	4,607	80.5
No	200	0	9	209	3.6
Undecided	668	230	14	912	15.9
Would you help organize a central type market?[3]					
Yes	2,867	745	34	3,646	63.6
No	802	344	135	1,281	22.4
Undecided	668	114	19	801	14.0
Would you serve as an officer in a central market cooperative?[3]					
Yes	1,765	517	9	2,291	40.0
No	1,765	228	156	2,149	37.5
Undecided	807	458	23	1,288	22.5
All growers in area	10,445	2,700	559	13,704	100.0

[1]All figures are estimates based on sample data.
[2]This question was asked only those growers in favor of a central market.
[3]Questions asked only those growers who preferred a central to an auction market.

type over an auction type. The ratio of all growers who preferred a central type market to an auction was a little more than two to one.

A little more than 80 percent of all growers who preferred a central type over an auction type indicated that they would sell some peanuts in a central market if one were established. Sixteen percent of these growers were not sure. Only 3.6 percent were positive that they would not sell in a central market. Nearly two-thirds of all growers preferring a central type market to an auction type were willing to help organize a central market, and 40 percent were willing to serve as an officer in a central market operated by a cooperative. A large proportion of others were not certain that they would serve as an officer in a central cooperative.

The proportion of growers who favored a central type market system over an auction system decreased as the size of growers increased. Also, the proportion of growers that would help establish and operate a central market was low in the large farm group. The proportion of large growers willing to sell some of their peanuts in a central market if one were established, however, was larger in the large farm group. A smaller proportion of large growers were undecided than the small and medium growers.

The advantages and disadvantages that growers associated with a central market were essentially the same as those associated with an auction. Apparently some growers believed that a central market would be less formal and would require less operational control and expense.

Cooperative Marketing

Slightly more than half of all peanut growers in the survey believed the existing marketing cooperative could sell peanuts for higher prices than individual farmers (table 24). Twenty-two percent were undecided. More than 80 percent believed the cooperative could store peanuts more economically than individual farmers, while 6.8 percent were undecided. Almost 9 percent were certain it could not.

More than one-third of all growers indicated that they would sign a marketing agreement to deliver a proportion of their peanut crop to the cooperative if bulk handling facilities were made available. A little more than one-sixth of all growers either did not know at the time or qualified their answers. Some 44.5 percent indicated that they definitely would not.

A relatively large proportion (39.6 percent) of growers who said they would sign an agreement were not certain as to exactly what percentage they would agree to deliver. Of those indicating they would sign an agreement, not any specified less than 10 percent as the minimum they would agree to deliver. Nearly one-third indicated they would agree to deliver 75 to 100 percent of their crop.

Very few peanut growers were directly opposed to cooperative marketing. Some growers apparently were not completely aware of the purposes and general organizational structure of the existing cooperative. Small growers in particular seemed to associate cooperative marketing with some type of government program. Objections to cooperative marketing appeared to be related to this experience.

Table 24. - *Replies of peanut growers to questions concerning cooperative marketing in survey area of Virginia-North Carolina, 1958*[1]

Item	Peanut acreage			All growers	
	Under 25	25 to 74.9	75 or more		
	Number			*Number*	*Percent*
Can the cooperative sell peanuts for higher prices than you can as an individual?					
Yes	5,085	1,671	167	6,923	50.5
No	2,680	752	347	3,779	27.6
Undecided	2,680	277	45	3,002	21.9
Can cooperative store peanuts more economically than individual farmers?					
Yes	8,967	2,326	261	11,554	84.3
No	646	278	290	1,214	8.9
Undecided	832	96	8	936	6.8
Would you sign a marketing agreement to deliver peanuts to the cooperative if bulk handling were available?					
Yes	3,788	1,302	74	5,164	37.7
No	4,809	844	452	6,105	44.5
Undecided	1,848	554	33	2,435	17.8
What percent would you agree to deliver to the cooperative?[2]					
Growers specifying:					
0-9.9	0	0	0	0	0.0
10-24.9	131	129	12	272	5.2
25-49.9	370	133	8	511	9.9
50-74.9	495	259	8	762	14.8
75-100.0	1,241	327	8	1,576	30.5
Undecided	1,551	454	38	2,043	39.6
All growers in area	10,445	2,700	559	13,704	100.0

[1]All figures are estimates based on sample data.
[2]This question was only asked growers who responded that they would agree to deliver a proportion of their crop to the co-op.

Table 25. - *Replies of peanut growers to questions concerning Federal marketing and order programs for other commodities and their applicability to the marketing of peanuts in the survey area of Virginia-North Carolina, 1958*[1]

Item	Peanut acreage			All growers	
	Under 25	25 to 74.9	75 or more		
	Number			*Number*	*Percent*
Are you familiar with a Federal marketing agreement and order program?					
Yes	564	186	102	852	6.2
No	9,609	2,514	457	12,580	91.8
Undecided	272	0	0	272	2.0
Would you approve of a program for peanuts?[2]					
Yes	282	93	4	379	44.5
No	282	93	98	473	55.5
Undecided	0	0	0	0	0.0
All growers in area	10,445	2,700	559	13,704	100.0

[1]All figures are estimates based on sample data.
[2]This question was only asked growers who responded that they were familiar with a Federal marketing agreement and order program.

Marketing Agreement and Order Programs

Only a small percentage of all growers were familiar with marketing agreement and order programs (table 25). The proportion of large growers who were familiar with them was more than three times the proportion of small growers. However, only 18.2 percent of large growers were familiar with marketing agreements and order programs.

The proportion of all growers familiar with such programs who thought one would be applicable to peanuts was 44.5 percent. About one-half of these small and medium size growers approved such a program while only 3.9 percent of the large growers thought it would work. The chief objection of those not approving of a program for peanuts was that controls could not be enforced.

Appendix A

Sampling Procedure

An area sampling procedure determined the selection of growers to be interviewed who had less than 75 acres. A random selection of names from a list of large growers determined the sample of growers to be interviewed who had 75 or more acres of peanuts.

Only in 88 sampling units were randomly drawn for the area sample and any grower with as many as 75 acres of peanuts in 1957 was dropped from the sample. Sixty out of 214 names on the large farm list were selected at random for the large farm sample. A total of 198 schedules were completed which represents approximately 1.4 percent of the growers in the area.

Because of the different probabilities in the two samples, it was necessary first to expand the observations from each sample to its subpopulation value in order to obtain an estimate of the aggregate value for all peanut farms within the area covered. The expansion factor for the two samples had to take into account non-respondents. For the area sample the sample observations were weighted by the number in the sample divided by the number in the sample minus the number of non-respondents and then expanded by 88. The formula

$$\left[88 \frac{N_s}{N_s - r_s} (O_s) = P_s\right]$$

summarizes the expansion of observations from the area sample where N_s is the number in the sample, r_s is the number of non-respondents, O_s is the sample value and P_s is the population value.

To expand an observation from the large farm sample, the number in the sample minus the number of non-respondents was divided into the number in the population, 214, and the quotient multiplied by the sample observation. The expansion formula is,

$$\left[\frac{214}{N_L - r_L} (O_L) = P_L\right].$$

The sum of the two sub-population values equals the aggregate population value, or the value for all peanut farms in the area regardless of size. The formula for the aggregate population value can be stated:

$$\left[88 \frac{N_s}{N_s - r_s} (O_s) + \frac{214}{N_L - r_L} (O_L) = P_t\right]$$

The data taken from peanut sales sheets required an additional step in processing because of the partial response from some farms. Prior to treating observations from this section of the schedule by the method described above, it was necessary to adjust each individual farm for partial response. In order to adjust the sample observations, a computed expansion factor for each farm multiplied by the observation made it possible to obtain the best estimate of what it would have been if all peanut sales had been reported. The expansion factor used in this situation was the total amount of peanuts produced for market divided by the amount reported as sold on the sales sheets. Adjusted observations on all farms were treated the same as observations from other sections of the schedule in expanding to population figures.

Appendix A, table 1. - *Location and type of peanut marketing outlets, Virginia-North Carolina Peanut Area, 1959*

Location		Type outlet			Location		Type outlet		
No.	Name	Rec. sta.	Pro-cessor	Co-op	No.	Name	Rec. sta.	Pro-cessor	Co-op
				Virginia					
1	Emporia	10	1	5	17	Smithfield	4	0	0
2	Boykins	6	0	1	18	Windsor	3	0	1
3	Branchville	2	0	0	19	Ivor	2	0	0
4	Skippers	3	0	0	20	Wakefield	2	1	0
5	Newsom	6	0	1	21	Bacons Castle	2	0	0
6	Drewryville	3	0	0	22	Surry	1	0	0
7	Capron	3	0	0	23	Waverly	3	0	0
8	Courtland	4	1	1	24	Homesville	1	0	0
9	Sebrell	2	0	0	25	Gray	1	0	0
10	Sedley	1	0	0	26	Sussex	1	0	0
11	Franklin	2	1	1	27	Stoney Creek	4	0	1
12	Walters	2	0	0	28	Purdy	1	0	1
13	Carrsville	1	0	0	29	Desputanta	3	0	0
14	Holland	6	0	3	30	Norfolk	0	1	0
15	Whaleyville	3	0	0	31	Zuni	1	1	0
16	Suffolk	1	9	2			—	—	—
						Total	84	15	17
				North Carolina					
32	Tarboro	4	1	1	55	Murfreesboro	5	0	0
33	Rocky Mount	1	0	2	56	Harrellsville	2	0	1
34	Battlesboro	3	0	1	57	Colerain	4	0	0
35	Whitakers	1	0	0	58	Ahoskie	5	1	2
36	Hobgood	1	0	0	59	Aulander	1	1	0
37	Scotland Neck	5	1	2	60	Roxobel	1	0	1
38	Tillery	1	0	0	61	Lewiston	3	0	0
39	Enfield	6	1	1	62	Windsor	4	1	1
40	Halifax	5	0	1	63	Hassell	1	0	0
41	Littleton	1	0	0	64	Hamilton	1	0	0
42	Gaston	1	0	0	65	Robersonville	4	0	2
43	Roanoke Rapids	1	0	0	66	Williamston	5	2	1
44	Weldon	4	0	1	67	Plymouth	0	1	0
45	Garysburg	2	0	0	68	Edenton	4	2	3
46	Gumberry	1	0	0	69	Hertford	3	0	0
47	Seaboard	4	0	1	70	Belvidere	2	0	0
48	Margarettsville	2	0	0	71	Gatesville	1	0	0
49	Jackson	3	0	0	72	Sunbury	2	0	0
50	Rich Square	3	0	0	73	Gates	2	0	1
51	Woodland	2	0	0	74	Bethel	2	0	0
52	Conway	3	0	0	75	Woodville	1	0	1
53	Severn	0	1	0	76	Pendleton	1	0	0
54	Como	4	0	0	77	Galatia	1	0	0
							—	—	—
						Total	113	12	23

Sources: Correspondence with processors, Agricultural Marketing Service, U. S. Dept. of Agr., Peanut Growers Cooperative Marketing Association, Federal-State Inspection Service personnel, and the survey of producers.

Appendix A Fig.1- Location of peanut marketing outlets, Virginia-North Carolina Peanut Area, 1959

SEE APPENDIX A, TABLE 1, FOR IDENTIFICATION AND TYPE OF OUTLET.

Form MQ-94 Peanuts V-C (5-1-66) | U. S. Department of Agriculture, Agricultural Marketing Service, Commodity Stabilization Service | Form App'd-Bud.Bur. No. 40-R2311.8

INSPECTION CERTIFICATE AND SALES MEMORANDUM No. VC 31501

Section I Inspection Certificate-Farmers Stock Peanuts

This certificate is issued pursuant to the Agricultural Marketing Act of 1946 as amended (7 U.S.C. 1621 et seq.) and is admissible as prima facie evidence in all courts of the United States. Any person who knowingly shall falsely make, issue, alter, forge, or counterfeit this certificate, or participate in any such actions, is subject to a fine of not more than $1000.00 or imprisonment for not more than 1 year or both.

Applicant's name and address

Applicant's agent

Buying Point Address

CCC Loan ☐ Sale ☐ Resale ☐ | Truck No.

No. Bags	Bulk	Type	Crop Year	Time

Sound mature kernels . . . . . ____%
Other kernels ____% + Damage ____% = ____%
Hulls . . . . . ____%
Total kernels and hulls (excl. LSK) . . . . . ____%
Foreign material ____% Moisture. . . . ____%
LSK ____% Fancy ____% ELK. . . . ____%

Remarks

I, the undersigned, on the date specified below, made personal inspection of samples of the lot herein described, and do hereby certify the conditions at the said time on the said date as shown by said samples were as stated in this Section I above.

Signature of inspector Date

Section II Settlement Sheet

Name and address of buyer

Name and address of seller

Warehouse description

Marketing card no.

Date of purchase	Converted penalty rate	Penalty $

Delivery point if not same as warehouse	Segregation

Weight ticket no.

A. Wt. incl. truck . . . . . ___lbs.
B. Wt. of truck . . . . . ___lbs.
C. Gross wt. (A minus B) . . ___lbs.
D. FM and excess moisture . ___lbs.
E. NET WEIGHT (C minus D) . . ___lbs.
F. LSK (% of LSK x C) . . . . . ___lbs.
G. Net wt. excl. LSK (E minus F) . . . ___lbs.

H. Kernel price per lb. (excl. LSK) . . . _____¢
I. Premium for ELK . . . . . _____¢
J. Total (H + I) . . . . . _____¢
K. Damage ____¢ - Excess F.M. _____¢ = _____¢
L. Price per lb. excl. LSK (J minus K) . . . _____¢
M. Value of Lot excl. LSK (G x L) . . . . .$_____
N. LSK ____ lbs. @ _____¢ . =$_____
O. Producer advance for lot (M + N) . . . . .$_____
P. Deduction for _____ $_____
Q. AMOUNT TO PRODUCER (O minus P) . . .$_____

Section III-Remarks Show draft nos. below

Appendix A, table 2. - *Data for computation of loan price*

Base price for sound mature kernels

Percent SMK[1]	Sum of percents of damaged and other kernels[2]											
	None	1	2	3	4	5	6	7	8	9	10	11
78	11.63	11.70	11.77	11.84	11.91	11.98	12.05	12.12	12.19	12.26	12.33	12.40
77	11.48	11.55	11.62	11.69	11.76	11.83	11.90	11.97	12.04	12.11	12.18	12.25
76	11.32	11.39	11.46	11.53	11.60	11.67	11.74	11.81	11.88	11.95	12.02	12.09
75	11.17	11.24	11.31	11.38	11.45	11.52	11.59	11.66	11.73	11.80	11.87	11.94
74	11.01	11.08	11.15	11.22	11.29	11.36	11.43	11.50	11.57	11.64	11.71	11.78
73	10.86	10.93	11.00	11.07	11.14	11.21	11.28	11.35	11.42	11.49	11.56	11.63
72	10.70	10.77	10.84	10.91	10.98	11.05	11.12	11.19	11.26	11.33	11.40	11.47
71	10.55	10.62	10.69	10.76	10.83	10.90	10.97	11.04	11.11	11.18	11.25	11.32
70	10.39	10.46	10.53	10.60	10.67	10.74	10.81	10.88	10.95	11.02	11.09	11.16
69	10.24	10.31	10.38	10.45	10.52	10.59	10.66	10.73	10.80	10.87	10.94	11.01
68	10.08	10.15	10.22	10.29	10.36	10.43	10.50	10.57	10.64	10.71	10.78	10.85
67	9.93	10.00	10.07	10.14	10.21	10.28	10.35	10.42	10.49	10.56	10.63	10.70
66	9.77	9.84	9.91	9.98	10.05	10.12	10.19	10.26	10.33	10.40	10.47	10.54
65	9.62	9.69	9.76	9.83	9.90	9.97	10.04	10.11	10.18	10.25	10.32	10.39
64	9.46	9.53	9.60	9.67	9.74	9.81	9.88	9.95	10.02	10.09	10.16	10.23
63	9.31	9.38	9.45	9.52	9.59	9.66	9.73	9.80	9.87	9.94	10.01	10.08
62	9.15	9.22	9.29	9.36	9.43	9.50	9.57	9.64	9.71	9.78	9.85	9.92
61	9.00	9.07	9.14	9.21	9.28	9.35	9.42	9.49	9.56	9.63	9.70	9.77
60	8.84	8.91	8.98	9.05	9.12	9.19	9.26	9.33	9.40	9.47	9.54	9.61
59	8.69	8.76	8.83	8.90	8.97	9.04	9.11	9.18	9.25	9.32	9.39	9.46
58	8.53	8.60	8.67	8.74	8.81	8.88	8.95	9.02	9.09	9.16	9.23	9.30
57	8.38	8.45	8.52	8.59	8.66	8.73	8.80	8.87	8.94	9.01	9.08	9.15
56	8.22	8.29	8.36	8.43	8.50	8.57	8.64	8.71	8.78	8.85	8.92	8.99
55	8.07	8.14	8.21	8.28	8.35	8.42	8.49	8.56	8.63	8.70	8.77	8.84
54	7.91	7.98	8.05	8.12	8.19	8.26	8.33	8.40	8.47	8.54	8.61	8.68
53	7.76	7.83	7.90	7.97	8.04	8.11	8.18	8.25	8.32	8.39	8.46	8.53
52	7.60	7.67	7.74	7.81	7.88	7.95	8.02	8.09	8.16	8.23	8.30	8.37

See next page for footnotes.

Appendix A, table 2. - *(Continued)*

Extra large kernel premium[3]	
Percent ELK	Premium per pound
50	1.00
49	.98
48	.96
47	.94
46	.92
45	.90
44	.88
43	.86
42	.84
41	.82
40	.80
39	.78
38	.76
37	.74
36	.72
35	.70
34	.68
33	.66
32	.64
31	.62
30	.60
29	.58
28	.56
27	.54
26	.52
25	.50
24	.48
23	.46
22	.44
21	.42
20	.40
19	.38

Damage deduction	
1%	None
2%	0.16¢
3%	0.32¢
4%	0.56¢
5%	0.88¢
6%	1.20¢
7%	1.68¢
8% and over	not eligible for price support

Foreign material deduction	
1-4%	None
5%	0.05¢
6%	0.10¢
7%	0.15¢
8%	0.20¢
9%	0.25¢
10%	0.30¢
11% and over	not eligible for price support

L.S.K. (Loose shelled kernels) @ 7¢ per pound.

[1]Percent SMK at $3.10 per ton (0.155¢ per pound) per percent.
[2]At $1.40 per ton or 0.07¢ per pound per percent.
[3]Calculated at 0.02¢ per pound per percent ELK.

Procedure for obtaining a Government loan for peanuts.

How To Get Government Loan[1]

1. Eligible peanuts.

   Peanuts eligible for price support are 1958 crop farmers' stock peanuts. The peanuts must be properly identified by a within quota marketing card and meet specifications on price support schedule.

2. Type and grade determination.

   A Federal or Federal-State inspector will determine the type and grade of each lot of peanuts on which a loan is made.

3. Methods of price support.

   a. Approved farm storage loans. Producer must apply to county ASC office for loan on farm stored peanuts. The ASC personnel will arrange for inspection of the storage facilities and for inspection, sampling, and grading of peanuts. All farm storage loan documents must be dated and delivered to the ASC office on or before January 31, 1959.

   b. Loans to associations. Eligible producers may receive an advance payment on eligible peanuts by placing them in an approved cooperative association warehouse. The advance payment is the Government loan rate less $9.14 per ton service charges and fees.[2]

   c. Purchase agreement. Purchase agreements will be available to eligible producers on eligible peanuts stored on the farm or stored off the farm on an identity preserved basis. The producer who signs a purchase agreement will not be obligated to sell any quantity of the peanuts to CCC. However, he may sell to CCC any quantity stated in the purchase agreement. The agreement must be filed in the ASC office on or before January 31, 1959. Peanuts under agreement must be stored by the producer until May 31.

4. For further details check with your county agent or ASC office.

How To Figure Loan Price

1. Find the price in the loan price schedule. This is the figure at the intersection of the row expressing the percentage of sound mature kernels (SMK) and the column expressing the percentage of damaged and other kernels. For example, the price for 70% SMK and 5% damaged and other kernels is 10.74 cents per pound.

2. Add premium for extra large kernels (ELK) to price. The premium is 0.02¢ per pound per percent ELK.

3. Subtract foreign material and damage deduction as given in the tables: The result is the price of peanuts in the shell.

4. Payment for loose shelled kernels will be made separately at 7¢ per pound.

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[1]Excerpts from N. C. Agricultural Extension Service Leaflet No. 34 by: M. Elton Thigpen and E. Walton Jones. Plans call for revision and publication of this leaflet annually.
[2]The $9 deduction was discontinued beginning with the 1961 crop.

Appendix B, table 1. - *Disposition of the 1958 peanut crop by type of market outlet, method of handling, size of grower and week marketed, in the survey area of Virginia-North Carolina, 1958*[1]

Week beginning	Small growers (0-24.9 acres)						Medium growers (25.0-74.9 acres)					
	Receiving station		Processor		Cooperative		Receiving station		Processor		Cooperative	
	Bags	Bulk	Bags	Bulk	Bags	Bulk	Bags	Bulk	Bags	Bulk	Bags	Bulk
	Percent						*Percent*					
Oct. 5	0	0.097	0	0	0	0	0	0	0	0	0	0
Oct. 12	0	0	0	0	0	0	0	.775	0	.170	0	0
Oct. 19	0	0	0	0	0	0	0	3.392	0	.485	0	0
Oct. 26	.497	.228	0	0	0	0	.384	.617	0	0	0	0
Nov. 2	.378	1.989	0	0	.119	0	2.151	.691	0	0	0	0
Nov. 9	5.057	2.680	0	0	0	0	9.763	2.743	.096	0	0	0
Nov. 16	6.639	.059	0	0	0	0	5.955	2.049	0	0	.443	.057
Nov. 23	5.848	.011	0	0	1.513	0	5.023	2.390	0	0	2.047	.114
Nov. 30	1.880	.119	0	0	0	0	.993	2.648	0	0	.859	0
Dec. 7	.110	.102	0	0	0	0	.163	.124	0	0	0	0
Dec. 14	.149	0	0	0	.459	0	.121	.156	0	0	0	0
Dec. 21	.641	0	0	0	0	0	.011	0	0	0	0	0
Dec. 28	0	0	0	0	0	0	.445	0	0	0	0	0
Jan. 4	.030	0	0	0	0	0	.094	.088	0	0	0	0
Jan. 11	0	0	0	0	0	0	0	0	0	0	0	0
Jan. 18	.013	0	0	0	0	0	.205	0	0	0	0	0
Jan. 25	0	0	0	0	0	0	0	0	0	0	0	0
Feb. 1	0	0	0	0	0	0	0	0	0	0	0	0
Feb. 8	0	0	0	0	0	0	0	0	0	0	0	0
Feb. 15	0	0	0	0	0	0	0	0	0	0	0	0
Feb. 22	0	0	0	0	0	0	0	0	0	0	0	0
Mar. 1	0	0	0	0	0	0	0	0	0	0	0	0
Mar. 8	0	0	0	0	0	0	0	0	0	0	0	0
Mar. 15	0	0	0	0	0	0	0	0	0	0	0	0
Total	21.242	5.285	0	0	2.091	0	25.308	15.673	.096	.655	3.349	.171

See next page for footnote.

Appendix B, table 1. - *(Continued)*

Week beginning	Large growers (over 75.0 acres)						All farms					
	Receiving station		Processor		Cooperative		Receiving station		Processor		Cooperative	
	Bags	Bulk	Bags	Bulk	Bags	Bulk	Bags	Bulk	Bags	Bulk	Bags	Bulk
	Percent						*Percent*					
Oct. 5	0.007	0.004	0	0	0	0	0.007	0.101	0	0	0	0
Oct. 12	.024	.270	0	0	0	0	.024	1.045	0	.170	0	0
Oct. 19	.092	.349	0	0	0	0	.092	3.741	0	.485	0	0
Oct. 26	.091	.234	0	0	0	0	.972	1.079	0	0	0	0
Nov. 2	1.087	.416	.072	0	0	0	3.616	3.096	.072	0	.119	0
Nov. 9	7.321	.518	.474	.085	.116	0	22.141	5.941	.570	.085	.116	0
Nov. 16	4.749	.274	.421	.109	.201	0	17.343	2.382	.421	.109	.644	.057
Nov. 23	4.236	.370	.279	0	.346	0	15.107	2.771	.279	0	3.906	.114
Nov. 30	1.312	.191	.231	0	.363	.016	4.185	2.958	.231	0	1.222	.016
Dec. 7	.107	.011	.009	0	.023	0	.380	.237	.009	0	.023	0
Dec. 14	.038	.006	0	0	.011	0	.308	.162	0	0	.470	0
Dec. 21	0	0	.001	0	0	0	.652	0	.001	0	0	0
Dec. 28	.031	0	0	0	0	0	.476	0	0	0	0	0
Jan. 4	.090	0	0	0	0	0	.214	.088	0	0	0	0
Jan. 11	.098	.028	0	0	0	0	.098	.028	0	0	0	0
Jan. 18	.068	0	0	0	0	0	.286	0	0	0	0	0
Jan. 25	.664	0	0	0	0	0	.664	0	0	0	0	0
Feb. 1	.517	0	0	0	0	0	.517	0	0	0	0	0
Feb. 8	.057	0	0	0	0	0	.057	0	0	0	0	0
Feb. 15	.029	0	0	0	0	0	.029	0	0	0	0	0
Feb. 22	.033	0	0	0	0	0	.033	0	0	0	0	0
Mar. 1	.034	0	0	0	0	0	.034	0	0	0	0	0
Mar. 8	.009	0	0	0	0	0	.009	0	0	0	0	0
Mar. 15	.008	0	0	0	0	0	.008	0	0	0	0	0
Total	20.702	2.671	1.487	.194	1.060	.016	67.252	23.629	1.583	.849	6.500	.187

[1]All figures are estimates based on sample data.

Appendix B, table 2. - *Seasonal index of prices paid for farmers' stock peanuts in Virginia-North Carolina peanut area, 1949-50 to 1959-60, October - 100*

Season	Month											
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
	Percent											
1949-50	97	100	103	109	112	112	112	113	115	115	116	117
1950-51	100	100	107	110	107	106	102	102	103	96	97	97
1951-52	100	100	102	103	104	103	103	103	102	103	103	103
1952-53	103	100	91	95	93	94	96	96	97	97	97	97
1953-54	100	100	103	103	96	97	99	99	100	100	100	100
1954-55	100	100	103	103	104	104	103	103	103	103	103	103
1955-56	100	100	112	113	115	114	114	114	114	114	114	111
1956-57	103	100	98	109	111	108	105	103	105	105	105	101
1957-58	99	100	90	92	76	73	75	76	84	84	-	-
1958-59	-	100	95	92	97	98	96	99	102	102	-	-
1959-60	-	100	100	104	102	-	-	-	-	-	-	-
Average	102	100	100	103	102	103	102	102	103	103	105	104

Source: Appendix B, table 3.

Appendix B, table 3. - *Average prices paid for farmers' stock peanuts from 1949-50 to 1959-60 in Virginia-North Carolina peanut area*

Season	Month											
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
	Cents per pound											
1949-50	10.1	10.4	10.7	11.3	11.7	11.7	11.6	11.8	12.0	12.0	12.1	12.2
1950-51	11.8	11.8	12.6	13.0	12.6	12.5	12.0	12.0	12.2	11.3	11.5	11.4
1951-52	11.8	11.8	12.0	12.2	12.3	12.2	12.2	12.1	12.1	12.2	12.2	12.2
1952-53	12.4	12.0	10.9	11.4	11.2	11.3	11.5	11.5	11.6	11.6	11.6	11.6
1953-54	11.6	11.6	12.0	12.0	11.2	11.3	11.5	11.5	11.6	11.6	11.6	11.6
1954-55	11.6	11.6	12.0	12.0	12.1	12.1	12.0	12.0	12.0	12.0	12.0	12.0
1955-56	12.0	12.0	13.4	13.6	13.8	13.8	13.7	13.7	13.7	13.7	13.7	13.3
1956-57	13.2	12.8	12.5	14.0	14.2	13.9	13.4	13.2	13.4	13.4	13.4	13.0
1957-58	13.0	13.1	11.8	12.0	10.0	9.6	9.8	10.0	11.0	11.0	-	-
1958-59	-	11.5	10.9	10.6	11.2	11.3	11.0	11.4	11.7	11.7	-	-
1959-60	-	10.4	10.4	10.8	10.6	-	-	-	-	-	-	-
Average	11.9	11.7	11.7	12.1	11.9	12.0	11.9	11.9	12.1	12.0	12.3	12.2

Source: Agricultural Marketing Service, U. S. Dept. of Agr. Agricultural Prices (1949-1960), various issues.

Appendix B, table 4. - *Proportion of all peanuts sold by size of firm, by week, price class, and type of handling in the survey area of Virginia-North Carolina, 1958*[1]

Week beginning	Small growers											
	Below loan		At loan		At loan plus drayage		Above loan		Grade not acceptable		Cooperative	
	Bags	Bulk	Bags	Bulk	Bags	Bulk	Bags	Bulk	Bags	Bulk	Bags	Bulk
	Percent											
Oct. 5	0	0	0	0	0	0.097	0	0	0	0	0	0
Oct. 12	0	0	0	0	0	0	0	0	0	0	0	0
Oct. 19	0	0	0	0	0	0	0	0	0	0	0	0
Oct. 26	0	0	.497	.228	0	0	0	0	0	0	0	0
Nov. 2	0	.402	.220	1.587	0	0	.158	0	0	0	.119	0
Nov. 9	0	.178	4.414	2.442	0	0	.643	.060	0	0	0	0
Nov. 16	.528	0	5.305	0	0	.059	.806	0	0	0	0	0
Nov. 23	.399	0	4.676	.011	.773	0	0	0	0	0	1.513	0
Nov. 30	.428	0	1.452	.119	0	0	0	0	0	0	0	0
Dec. 7	0	0	.079	0	.031	.102	0	0	0	0	0	0
Dec. 14	0	0	.117	0	0	0	.032	0	0	0	.459	0
Dec. 21	0	0	.641	0	0	0	0	0	0	0	0	0
Dec. 28	0	0	0	0	0	0	0	0	0	0	0	0
Jan. 4	.030	0	0	0	0	0	0	0	0	0	0	0
Jan. 11	0	0	0	0	0	0	0	0	0	0	0	0
Jan. 18	0	0	0	0	0	0	0	0	.013	0	0	0
Jan. 25	0	0	0	0	0	0	0	0	0	0	0	0
Feb. 1	0	0	0	0	0	0	0	0	0	0	0	0
Feb. 8	0	0	0	0	0	0	0	0	0	0	0	0
Feb. 15	0	0	0	0	0	0	0	0	0	0	0	0
Feb. 22	0	0	0	0	0	0	0	0	0	0	0	0
Mar. 1	0	0	0	0	0	0	0	0	0	0	0	0
Mar. 8	0	0	0	0	0	0	0	0	0	0	0	0
Mar. 15	0	0	0	0	0	0	0	0	0	0	0	0
Total	1.385	.580	17.401	4.387	.804	.258	1.639	.060	.013	0	2.091	0

See footnote on page 69.

Appendix B, table 4. - *(Continued)*

Week beginning	Medium size growers											
	Below loan		At loan		At loan plus drayage		Above loan		Grade not acceptable		Cooperative	
	Bags	Bulk	Bags	Bulk	Bags	Bulk	Bags	Bulk	Bags	Bulk	Bags	Bulk
	Percent											
Oct. 5	0	0	0	0	0	0	0	0	0	0	0	0
Oct. 12	0	0	0	.945	0	0	0	0	0	0	0	0
Oct. 19	0	0	0	3.877	0	0	0	0	0	0	0	0
Oct. 26	.384	.270	0	.347	0	0	0	0	0	0	0	0
Nov. 2	0	0	2.151	.691	0	0	0	0	0	0	0	0
Nov. 9	.208	0	8.450	1.727	.328	1.016	.172	0	.701	0	0	0
Nov. 16	0	.782	3.559	1.146	.991	0	.217	.121	1.188	0	.443	.057
Nov. 23	.146	.147	3.800	2.139	.829	0	.248	.104	0	0	2.047	.114
Nov. 30	.183	1.864	.810	.264	0	.520	0	0	0	0	.859	0
Dec. 7	0	0	.163	0	0	.124	0	0	0	0	0	0
Dec. 14	0	0	0	0	0	.156	.121	0	0	0	0	0
Dec. 21	0	0	0	0	0	0	.011	0	0	0	0	0
Dec. 28	0	0	.332	0	0	0	.113	0	0	0	0	0
Jan. 4	0	0	0	0	0	.088	.094	0	0	0	0	0
Jan. 11	0	0	0	0	0	0	0	0	0	0	0	0
Jan. 18	0	0	.205	0	0	0	0	0	0	0	0	0
Jan. 25	0	0	0	0	0	0	0	0	0	0	0	0
Feb. 1	0	0	0	0	0	0	0	0	0	0	0	0
Feb. 8	0	0	0	0	0	0	0	0	0	0	0	0
Feb. 15	0	0	0	0	0	0	0	0	0	0	0	0
Feb. 22	0	0	0	0	0	0	0	0	0	0	0	0
Mar. 1	0	0	0	0	0	0	0	0	0	0	0	0
Mar. 8	0	0	0	0	0	0	0	0	0	0	0	0
Mar. 15	0	0	0	0	0	0	0	0	0	0	0	0
Total	.921	3.063	19.470	11.136	2.148	1.904	.976	.225	1.889	0	3.349	.171

Appendix B, table 4. - *(Continued)*

Week beginning	Large growers											
	Below loan		At loan		At loan plus drayage		Above loan		Grade not acceptable		Cooperative	
	Bags	Bulk	Bags	Bulk	Bags	Bulk	Bags	Bulk	Bags	Bulk	Bags	Bulk
	Percent											
Oct. 5	0	0	0.003	0.004	0.004	0	0	0	0	0	0	0
Oct. 12	0	0	.024	.270	0	0	0	0	0	0	0	0
Oct. 19	0	0	.003	.349	.089	0	0	0	0	0	0	0
Oct. 26	.007	0	.017	.194	.067	.040	0	0	0	0	0	0
Nov. 2	.020	.007	1.111	.399	.028	.010	0	0	0	0	0	0
Nov. 9	.087	.022	7.388	.400	.070	.156	.250	.010	0	.015	.116	0
Nov. 16	.391	.002	4.639	.370	.096	.011	.040	0	.004	0	.201	0
Nov. 23	.120	0	4.098	.309	.084	.034	.213	.013	0	.014	.346	0
Nov. 30	.007	0	1.512	.102	.005	.064	.019	0	0	.025	.363	.016
Dec. 7	0	0	.116	.002	0	.009	0	0	0	0	.023	0
Dec. 14	0	.006	.021	0	.017	0	0	0	0	0	.011	0
Dec. 21	0	0	.001	0	0	0	0	0	0	0	0	0
Dec. 28	0	0	0	0	0	0	.031	0	0	0	0	0
Jan. 4	0	0	0	0	.090	0	0	0	0	0	0	0
Jan. 11	0	0	0	0	.098	.028	0	0	0	0	0	0
Jan. 18	0	0	.067	0	.001	0	0	0	0	0	0	0
Jan. 25	.023	0	.622	0	0	0	.019	0	0	0	0	0
Feb. 1	0	0	.325	0	.179	0	.013	0	0	0	0	0
Feb. 8	0	0	0	0	.016	0	.041	0	0	0	0	0
Feb. 15	0	0	0	0	0	0	.029	0	0	0	0	0
Feb. 22	.008	0	0	0	0	0	.025	0	0	0	0	0
Mar. 1	0	0	0	0	0	0	.034	0	0	0	0	0
Mar. 8	0	0	0	0	0	0	.009	0	0	0	0	0
Mar. 15	0	0	0	0	0	0	.008	0	0	0	0	0
Total	.663	.037	19.947	2.399	.844	.352	.731	.023	.004	.054	1.060	.016

Appendix B, table 4. - *(Continued)*

Week beginning	All growers											
	Below loan		At loan		At loan plus drayage		Above loan		Grade not acceptable		Cooperative	
	Bags	Bulk	Bags	Bulk	Bags	Bulk	Bags	Bulk	Bags	Bulk	Bags	Bulk
	Percent											
Oct. 5	0	0	0.003	0.004	0.004	0.097	0	0	0	0	0	0
Oct. 12	0	0	.024	1.215	0	0	0	0	0	0	0	0
Oct. 19	0	0	.003	4.226	.089	0	0	0	0	0	0	0
Oct. 26	.391	.270	.514	.769	.067	.040	0	0	0	0	0	0
Nov. 2	.020	.409	3.482	2.677	.028	.010	.158	0	0	0	.119	0
Nov. 9	.295	.200	20.252	4.569	.398	1.172	1.065	.070	.701	.015	.116	0
Nov. 16	.919	.784	13.503	1.516	1.087	.070	1.063	.121	1.192	0	.644	.057
Nov. 23	.665	.147	12.574	2.459	1.686	.034	.461	.117	0	.014	3.906	.114
Nov. 30	.618	1.864	3.774	.485	.005	.584	.019	0	0	.025	1.222	.016
Dec. 7	0	0	.358	.002	.031	.235	0	0	0	0	.023	0
Dec. 14	0	.006	.138	0	.017	.156	.153	0	0	0	.470	0
Dec. 21	0	0	.642	0	0	0	.011	0	0	0	0	0
Dec. 28	0	0	.332	0	0	0	.144	0	0	0	0	0
Jan. 4	.030	0	0	0	.090	.088	.094	0	0	0	0	0
Jan. 11	0	0	0	0	.098	.028	0	0	0	0	0	0
Jan. 18	0	0	.272	0	.001	0	0	0	.013	0	0	0
Jan. 25	.023	0	.622	0	0	0	.019	0	0	0	0	0
Feb. 1	0	0	.325	0	.179	0	.013	0	0	0	0	0
Feb. 8	0	0	0	0	.016	0	.041	0	0	0	0	0
Feb. 15	0	0	0	0	0	0	.029	0	0	0	0	0
Feb. 22	.008	0	0	0	0	0	.025	0	0	0	0	0
Mar. 1	0	0	0	0	0	0	.034	0	0	0	0	0
Mar. 8	0	0	0	0	0	0	.009	0	0	0	0	0
Mar. 15	0	0	0	0	0	0	.008	0	0	0	0	0
Total	2.969	3.680	56.818	17.922	3.796	2.514	3.346	.308	1.906	.054	6.500	.187

[1]All figures are estimates based on sample data.

Appendix B, table 5. - *Average value of 1 ton of peanuts by season and by month, Virginia-North Carolina peanut area, 1949-50 - 1959-60*

Season	Month											
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
	Dollars per ton											
1949-50	202	208	214	226	234	234	232	236	240	240	242	244
1950-51	236	236	252	260	252	250	240	240	244	226	230	228
1951-52	236	236	240	244	246	244	244	244	242	244	244	244
1952-53	248	240	218	228	224	226	230	230	232	232	232	232
1953-54	232	232	240	240	224	226	230	230	232	232	232	232
1954-55	232	232	240	240	242	242	240	240	240	240	240	240
1955-56	240	240	268	272	276	276	274	274	274	274	274	266
1956-57	264	256	250	280	284	278	268	264	268	268	268	260
1957-58	260	262	236	240	200	192	196	200	220	220	-	-
1958-59	-	230	218	212	224	226	220	228	234	234	-	-
1959-60	-	208	208	216	212	-	-	-	-	-	-	-
Average	239	234	235	242	238	239	237	238	242	241	245	243

Source: Appendix B, table 3.

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Other Publications Available

Buying Farmers' Stock Peanuts in the Virginia-North Carolina Area, Marketing Research Report 555, Gilbert W. Biggs, Richard A. King, and E. Walton Jones.

Fruit and Vegetable Bargaining Cooperatives, Circular 25, Wendell M. McMillan.

Coordinated Marketing for Florida Fresh Citrus Shippers: Views on its Need and Feasibility, Marketing Research Report 492, Fred E. Hulse.

Fresh Fruit and Vegetable Marketing Organizations in the Northeastern and Central States, General Report 84, Martin A. Blum.

Economic Considerations in Marketing Sweetpotatoes from the Eastern Shore of Virginia, Marketing Research Report 487, Clyde B. Markeson, Frank W. Bell, and Leo F. Zimmerman.

Pooling and Other Grower Payment Methods as Used by Local Fruit, Vegetable, and Tree Nut Cooperatives, General Report 67, Clyde B. Markeson.

Using Your Fruit and Vegetable Co-op, Educational Circular 7.

What Is a Co-op? Bulletin Reprint 6.

Three Principles of Agricultural Cooperation, Educational Circular 13, W. W. Fetrow.

How Farmer Cooperative Service Works, Information 26.

Co-ops Have a Place in Rural Community Progress, Information 23.

Organizing a Farmer Cooperative, Circular 18.

Forming Farmer Cooperatives, Educational Circular 10.

List of FCS Publications, Information 4.

A copy of each of these publications may be obtained upon request while a supply is available from:

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